

Abt Associates Inc.

Cambridge, MA
Lexington, MA
Hadley, MA
Bethesda, MD
Washington, DC
Chicago, IL
Cairo, Egypt
Johannesburg, South Africa

Abt Associates Inc.
Suite 600
4800 Montgomery Lane
Bethesda, MD 20814-5341

The Uses of Food Aid in Support of IEHA Objectives

Agricultural Policy Development Program

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Prepared by
Barry Riley, under contract to Abt
Associates Inc.

Executive Summary

This report attempts to identify the best uses of U.S. food aid in supporting IEHA's agricultural development, increased rural incomes, and food security objectives over the next 10-15 years. The U.S. is the largest food aid donor in the world, providing, in most years, more than 50 percent of all food aid commodities, globally.

For nearly 50 years, the U.S. has been willing to share its food bounty with those poverty-stricken in the world facing serious food shortages, chronic malnutrition, famine, and even death. Nowhere is this need greater at the beginning of the 21st century than in sub-Saharan Africa where an estimated 337 million of the food insecure poor consume less than the 2100 kcal/day, generally considered the cut-off between adequate and inadequate nutrition.

As a percentage of total U.S. agricultural exports food aid has shrunk from about 20 percent in the 1960s to 3-4 percent in the 1990s and total food aid from all donors has shrunk from 60 percent of all Official Development Assistance (ODA) in 1965 to approximately 4-5 percent in 2000. Both trends reflect growing U.S. food exports and growing ODA. Total food aid levels have not grown anywhere near as much over the past 40 years. Gross tonnages of global food aid during the 1991-2001 period have ranged between 7.2 Million Metric Tons (MMT), the low in 1996, and 16.9 MMT in 1993. In 2001, global food aid is estimated to have been 11.0 MMT. On average, over the past decade, the U.S. has supplied approximately 60 percent of total food aid. For the countries of Eastern and Southern Africa, U.S. food aid used for development assistance by U.S. PVO Cooperating Sponsors and WFP in 2000, the most recent year for which there is published data, amounted to 3.56 MMT valued at \$89.4 million.

The constituent parts of U.S. food are:

- PL480 Title I and Food for Progress managed by the U.S. Department of Agriculture (USDA)
- Section 416b surplus commodities (USDA)
- PL480 Title II managed by USAID
- Title III (USAID)
- Bill Emerson Humanitarian Trust used as a food security reserve pegged at 4 MMT of grain for emergency disbursements (USDA).
- McGovern-Dole International Food For Education and Child Nutrition Program (managing agency not yet determined)
- Farmer-to-Farmer technical assistance (USAID)

The primary objective of U.S. food aid since the passage of the 1990 Farm Bill legislation has been the reduction of food insecurity in the poorest countries of the world and food aid has been largely aimed at either reducing acute food insecurity caused by emergencies and disasters or chronic food insecurity caused by long-term declines in access to adequate food by individuals or households who lack the ability to produce or purchase enough of it. Over the past several years, PL480 Title II, aimed at food insecurity, has gradually become the single largest element of total U.S. food aid. In the most

recent 34 years, Title II resources for emergency assistance have been running at about \$500 million/year and those for development assistance a shade under that.

Food aid has its supporters and detractors. There are a number of claims and counterclaims regarding its utility and effectiveness in promoting development. Brief summaries of the more important of the issues surrounding the provision of food aid are contained in Section II of this report. They include: i) the difficulties inherent in assessing effectiveness, ii) the nature of its “additionality”, iii) problems in targeting it on the right beneficiaries, iv) costs, v) the nature and magnitude of disincentives, and vi) specialized domestic concerns.

The Bush Administration has initiated a thoroughgoing review of the effectiveness of all food aid programs with a view to reducing inefficiencies and assuring that U.S. food assistance gets into the hands of those who need it most. (See annex 4.) The net effect has already been a significant reduction in program food aid and a gradual increase in the proportion of total U.S. food aid comprised of Title II emergency assistance and project assistance operated by Cooperating Sponsors and WFP aimed at food security-oriented development. This trend is likely to continue for at least the next several years.

The options for IEHA’s use of food aid resources to help promote and speed attainment of its agricultural development, food security-promoting, objectives are largely limited to taking advantage of PL480 Title II, at least in the near term. Over the longer term, a case can be developed for reflatting a Title III program for Africa and operated as a “counterpart fund” for IEHA activities in those African countries which evince: i) a structural food gap between local production and local consumption requirements (necessitating food imports), ii) an enabling policy environment for agricultural-led economic development, and iii) good prospects for converting IEHA dollar and locally-generated counterpart resources and Cooperating Sponsors food resources into substantially improved household food security for a significant number of the food insecure poor.

The potential contribution of Title II development (and to a lesser extent, emergency) food resources to IEHA’s objectives in Eastern and Southern Africa, if properly concerted with IEHA’s on-the-ground activities, could be significant. The on-going project sites of the Cooperating Sponsors and some of WFP’s agriculture and natural resource management projects offer excellent opportunities for merging food aided activities and IEHA agricultural productivity-enhancing, rural entrepreneurial and farmer association strengthening approaches with progress already made, local community participatory and managerial experience and the ready availability of years of baseline and monitoring data on hundreds of thousands of participating households.

A relationship is proposed between IEHA and the Cooperating Sponsors/WFP wherein the former would ground-test approaches using pre-existing Cooperating Sponsor and WFP project sites and participating communities to determine which agronomic and entrepreneurial approaches seem to work best and why. Out of this experience would come a number of interventions and approaches ready for multiplication/expansion to substantial numbers of additional rural poor households. These would be marketed to major donors (USAID, World Bank, EU) and private investors as proven, highly bankable approaches.

Several types of partnership options are briefly presented enabling this approach to be developed over a span of years.

The paper concludes with a set of annexes which, among other things, contain numerous examples of evaluated Cooperating Sponsor projects in Eastern and Southern Africa, presented to provide IEHA managers a sense of the range of activities already underway focused on increasing agricultural productivity, rural incomes and improved household food security.

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Acronyms

ACDI/VOCA	Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance
ADRA	Adventist Development and Relief Agency
AIDS	Auto-Immune Deficiency Syndrome
CARE	Cooperative for Assistance and Relief Everywhere
CCC	Commodity Credit Corporation
CDIE	Center for Development Information and Evaluation
CRS	Catholic Relief Services
CS	Cooperating Sponsor
DA	Development Assistance
DAC	Development Assistance Committee
DAP	Development Activity Proposal
DIA	Dutch Interchurch Aid
EC	European Community
EGS	Employment Generation Scheme(s)
EOC	Ethiopian Orthodox Church
ERS	Economic Research Service
EU	European Union
FAM	Food Aid Management
FFP	Food for Peace
FFW	Food for Work
FHI	Food for the Hungry, International
FY	Fiscal Year
GAO	Government Accounting Office
HIV	Human Immunodeficiency Virus
IEFR	International Emergency Food Reserve
IEHA	Initiative to End Hunger in Africa
KCAL	Kilocalories (commonly: “calories”)
LIFDC	Low Income Food Deficient Country
LWF	Lutheran World Federation
MAPP	Multi-Country Agricultural Productivity Program
MCH/CS	Maternal and Child Health/Child Survival
MT	Metric Ton
MTE	Mid-Term Evaluation
MMT	Million Metric Tons
NGO	Non-Governmental Organization
NPA	Norwegian People’s Aid
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
OMB	Office of Manpower and Budget

PA	Peasant Association
PRRO	Protracted Relief and Recovery
REST	Relief Society of Tigray
R2D	Relief-to-Development
SCF	Save the Children Foundation
UN	United Nations
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
WFP	World Food Program
WVI	World Vision International

1. Introduction

The objective of this report is to identify the best uses of food aid in support of IEHA's objectives during an approximately 15-year period starting in FY 2003. The terms of reference for this report ask for a comparison of the costs and benefits of food aid those associated with dollar-financed technical assistance in promoting agricultural growth that yields increased employment and incomes throughout the rural economies of Eastern and Southern Africa. The TOR also request a review of the ways that food and non-food resources might be combined to accelerate progress toward IEHA objectives. The emphasis will be very much on the latter element, with numerous real world examples provided. There will rarely be a situation where decisions to support food assistance in lieu of DA will stem from food aid having proven to be more cost effective. In almost all cases it is not. The use of food aid to support development (as opposed to emergency relief and humanitarian uses) stems from its being available as an *additional* resource.¹ The reasons for its availability stem as much, if not more, from U.S. domestic farm policy issues as from the economics of its use as a development resource. It exists, it is available, it is in many cases useful. The more important debates are on how it can be made most effective in real on-the ground situations, how its effectiveness can best be measured and how it can be partnered with non-food resources to maximize delivery of sustainable improvements in the long-term food security status of poor rural² households.

There is need to insure that consistent definitions are used in discussions of food aid, since commonly-used terms such as food aid, food assistance and food security have come to have different meanings for different groups. Using the terminology of Clay and Stokke (2000):

Food aid: “commodity aid used to support food assistance actions in aid-eligible countries and/or to fund general development through the provision of balance-of-payments support by substituting for commercial imports or budgetary support from sales revenue.”

Food aid is generally divided into three categories:

Emergency (or relief): food aid provided to those suffering natural or man-made disasters which may be fast-onset (floods, insect invasions, certain types of conflict) or slow onset (drought/famine, warfare) and non-complex (usually recovery from natural disasters such as a flood or a short-term drought) or complex (long-term refugees and displaced persons from protracted conflicts, or combinations of natural and human-caused emergencies lasting over several years). This is primarily provided through the World Food Programme (WFP), or international or local NGOs.

Program: government-to-government provision of food commodities intended for commercial sale in the receiving (or third) country with the local currency proceeds from such sale being deposited in a “counterpart fund” account and used in ways agreed between the receiving and contributing governments – usually, but not always, for mutually-agreed development activities.

¹ There is a long-standing but still active academic debate on the magnitude – even the existence – of this assertion of the development “additionality” of food aid. References to this debate can be found in the bibliography.

² And urban households as well. The urban food security options are not, however, the subject of this report.

Project: provided to targeted beneficiaries to support development projects and activities, often through one or more NGOs, or WFP.

Food assistance: provided to address transitory and chronic food insecurity. May... “involve the direct provision of food to be consumed on-site, or take-home food or wages in kind.” It can include food ration schemes, subsidized canteens, market interventions to influence price and assure supply to consumers. Clay and Stokke comment:

“The role of food assistance in providing relief in an emergency, and in the rehabilitation of affected peoples and regions, is generally accepted; such actions are supported by internationally sources food and financial aid from public funds and private charities. The role of food assistance in combating chronic food insecurity and thereby contributing to poverty reduction or promoting human development, involving both direct and indirect forms, is more controversial.”

Food Security: The classic definition is that contained in the World Bank’s *Poverty and Hunger*. (1986):

“...access by all people at all times to enough food for an active, healthy life. Its essential elements are the availability of food and the ability to acquire it. Food insecurity, in turn, is the lack of access to enough food. There are two kinds of food insecurity: chronic and transitory. Chronic food insecurity is a continuously inadequate diet caused by the inability to acquire food. It affects households that persistently lack the ability to either buy food or to produce their own. Transitory food insecurity is a temporary decline in a household’s access to enough food. It results from instability in food prices, food production, or household income – and in its worst form it produces famine.”

USAID, in its Policy Determination 19, expanded the definition to include not only availability and access, but also concerns for nutritional utilization. Under the USAID definition food security is achieved:

“When all people at all times have both physical and economic access to sufficient food to meet their dietary needs for a productive and healthy life.” (USAID Policy Determination 19 dated April 13, 1992.)

This is the operational definition of food security, which provides the objective for all USAID-managed food aid programs and activities. There have been a number of other definitions and, for many donors organizations, the entire concept of food security has been subsumed into the larger rubric of “livelihood security” wherein food security can only be achieved in the longer term when sustainable livelihoods have been achieved. Many NGOs such as Save the Children/UK and CARE International have adopted livelihood security as the overall objective of their program. While the term – like food security – can be defined in many ways, CARE’s definition is representative:

“...the adequate and sustainable access to income and resources to meet basic household needs (including adequate access to food, potable water, health facilities, educational opportunities, housing, and time for community participation and social integration).”

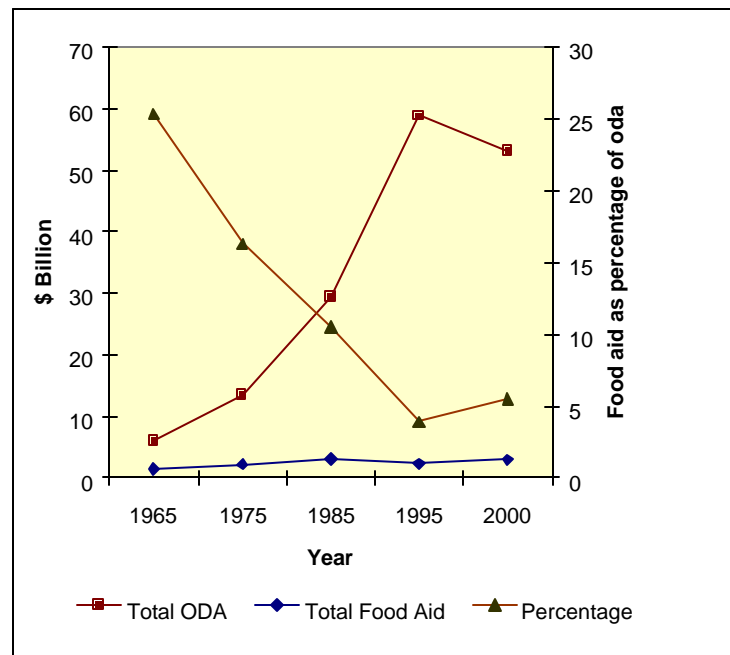
As can be seen, food access – the core of food security – is one of several conditions needing to be met to achieve household livelihood security in the CARE definition. For many, this more inclusive definition of development projects at the community level is intellectually more satisfying than the more limited objective of securing adequate command over food itself on a sustainable basis. Such an approach in Africa, however, where, on average, 60-70 percent of the population is engaged in the full-time pursuit of acquiring enough to eat, and where 65-75 percent of household expenditures are spent on food, the distinction is effectively academic. Achieving satisfactory levels of household food security under the conditions that prevail in much of rural Africa is tantamount to attaining livelihood security.

2. Background

For nearly 50 years, U.S. food aid has been provided to poor people throughout the developing world experiencing chronic or acute food deprivation. Food assistance has encompassed the feeding of: i) refugees in times of disaster or war, ii) those afflicted by slow-onset but devastating drought and famine, iii) those made chronically hungry by declining soil fertility, deteriorated transport infrastructure, or non-functioning food systems, iv) poor households in countries that need, and where governments are willing, to import needed foodstuffs for these populations but are lacking adequate foreign exchange, and many other specific situations in line with donor policy dictates. In most such cases, the U.S. has been willing to share its food bounty with those otherwise facing serious food shortages, chronic malnutrition, famine, and even death. Other governments and international organizations have also provided food assistance – most notably the governments of the European Union, Canada, Australia, and the World Food Program (WFP).³ Global food aid is compared to total official development assistance in Chart 1 below, where it has fallen from a quarter of all economic assistance in the mid-1960s to about ten percent in the 1990s.

The U.S. has been the largest donor, providing, in most years, more than 50 percent of all food aid commodities, globally. Even so, food aid has been a relatively modest element of total U.S. foreign assistance, as shown in Chart 2 for FY 2000, and an ever smaller element of total U.S. food exports over the past 40 years, as seen in Chart 3 below.

Chart 1: Total Food Aid and Total ODA Compared (1965-2000)

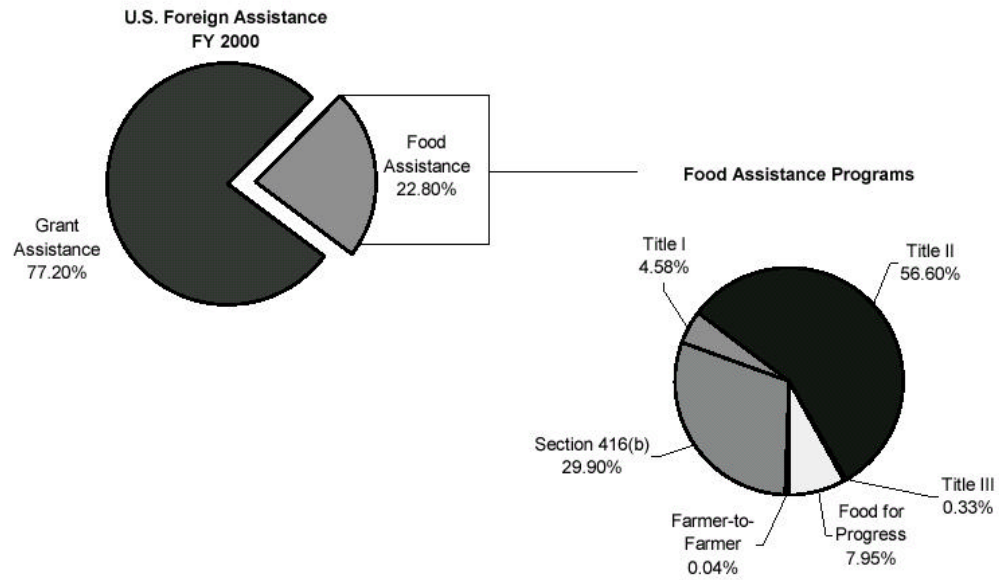


Sources: OECD DAC and UN Statistics Tables.

³ Using food supplied by member bilateral governments, particularly the U.S., which has supplied just about 60 percent of WFP's food resources.

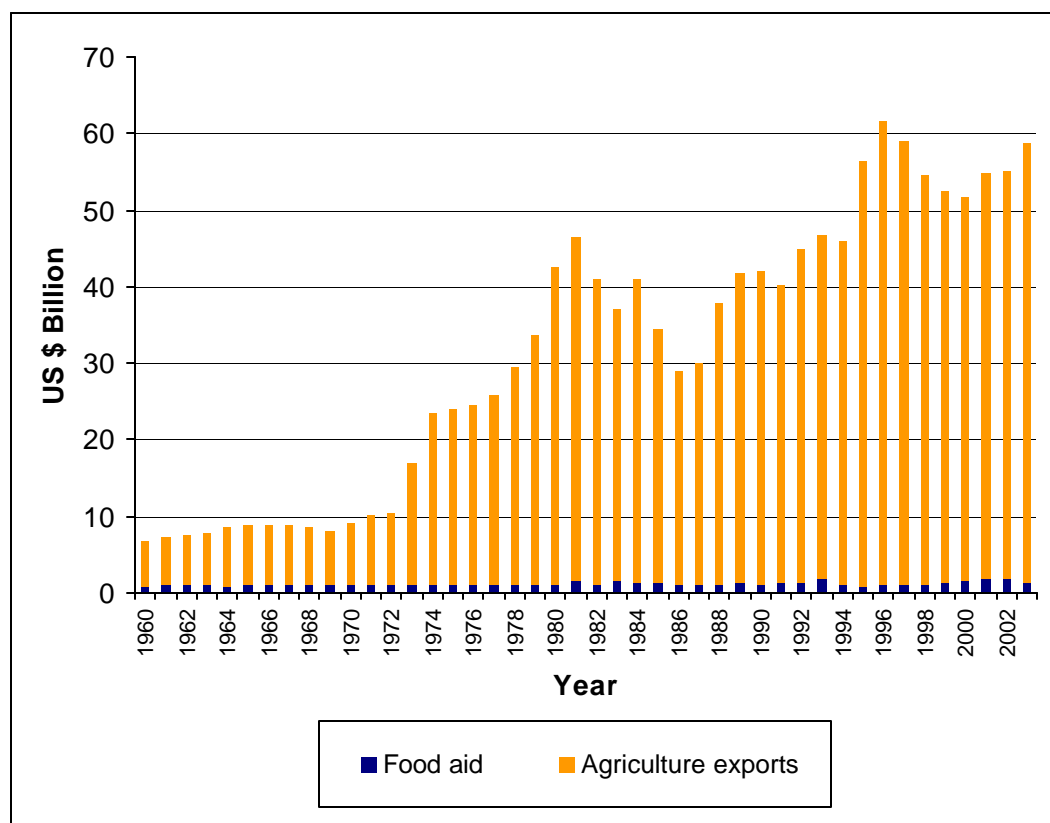
Note: 2000 food aid estimated from WFP and USAID data.

Chart 2: U.S. food aid as a percentage of total U.S. foreign aid: 2000



Source: USAID/FFP: U.S. International Food Assistance Report: 2000

Chart 3: U.S. agricultural exports and food aid levels compared



Source: USDA and USAID/FFP data. NOTE: 2003 projections based on most recent USDA and USAID/FFP estimates.

Since the late 1980s, stemming from increasing global concern regarding the apparent deterioration in food security in sub-Saharan Africa, extensive and continuing chronic food insecurity and malnutrition in South and Southeast Asia, increasing food insecurity in the Newly Independent States in Eastern Europe and the former Soviet Union, and stubborn pockets of food insecurity in the Caribbean and Andean South America, U.S. food assistance has increasingly been aimed at reducing short-term acute, and long-term chronic, food and nutrition insecurity – i.e. moving beyond simply feeding of the hungry in refugee camps or at maternal and child health clinics. At the same time, the increasing frequency of natural and human-caused catastrophes and of long-duration, complex emergencies has increased total food needs beyond what has been required in the past. One result has been the steady increase in average annual food flows for emergency relief from 23 percent of global food aid in 1991 to 50 percent in 2001, as shown in Table 1 and Chart 5.

Table 1 on the following page provides the most recent compiled information decomposing total 1991-2001 food aid flows from all donors into: i) cereals/non-cereals, ii) delivery channel, iii) program/project/relief, iv) recipient region, v) development status of receiving country, and vi) food aid deliveries as percent of world and Low Income Food Deficit Country (LIFDC) production.

Table 1: Global Food Aid Profile, 1991-2001

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001 ^a
Total food aid deliveries (MMT – in grain equivalent)	13.2	15.2	16.9	12.9	10.2	7.2	7.3	8.4	15.0	11.3	11.0
Of which cereals	12.0	13.4	15.1	11.1	8.9	6.2	6.5	7.4	13.3	9.8	9.5
Of which non-cereals	1.2	1.8	1.8	1.8	1.3	1.0	0.8	1.0	1.7	1.5	1.5
Of which procured in developing countries (percent)	8.5	9.5	9.7	11.5	16.3	16.8	19.3	16.0	7.7	13.7	10.5
Food aid deliveries, by channel (percent of total)											
Bilateral	63	60	65	50.3	49.4	44.9	30.1	41.2	54.8	35.3	25.1
Multilateral (mostly WFP)	23	22	22	28.3	30.4	35.6	41.8	31.9	26.8	35.9	25.1
NGOs	14	18	13	21.0	20.2	19.5	28.0	26.9	18.3	28.8	33.2
Food aid deliveries, by category (percent of total)											
Program	50.0	50.0	60.0	43.9	42.6	39.5	24.2	34.8	53.9	28.0	24.7
Project	23.0	17.0	15.0	21.1	22.7	23.6	31.2	29.8	15.6	23.6	25.2
Relief	27.0	33.0	25.0	35.1	34.8	36.9	44.6	35.4	30.4	48.4	50.0
Food aid deliveries, by region (percent of total)											
Sub-Saharan Africa	31.0	40.0	29.0	34.8	32.4	35.5	33.1	32.8	18.7	35.1	31.5
South and East Asia	23.0	18.0	12.0	19.5	23.4	27.9	38.4	40.9	34.0	28.3	38.4
Europe and CIS	8.0	20.0	41.0	28.7	29.0	18.2	14.5	10.3	36.0	20.0	12.5
Latin America and Caribbean	15.0	12.0	12.0	10.2	9.1	10.6	8.9	11.8	8.1	7.4	9.4
Middle East and North Africa	23.0	10.0	6.0	6.7	6.1	7.9	5.1	4.2	3.2	9.2	8.3
Food aid deliveries, by country special status category (percent of total)											
To developing countries	93.0	87.0	68.0	83.4	78.2	97.5	98.3	98.8	69.7	87.6	97.5
To low-income food deficit (LIFD)	84.0	80.0	62.0	75.2	80.1	80.2	90.1	87.9	61.9	75.8	82.6
To least developed countries	43.0	44.0	29.0	42.2	40.2	46.0	47.5	43.6	30.5	38.6	41.5
Total cereal food aid deliveries as percent of:											
World cereal production	0.6	0.7	0.8	0.6	0.5	0.3	0.3	0.4	0.7	0.5	0.5
World cereal imports	6.4	6.2	7.1	5.3	4.1	2.9	3.0	3.4	5.7	4.2	4.0
Cereal food aid deliveries to LIFDC countries as a percent of:											
LIFDC cereal production	1.2	1.3	1.1	1.2	1.0	0.7	0.7	0.8	1.1	1.0	1.0
LIFDC cereal imports	18.0	14.8	13.3	11.7	9.4	7.6	7.3	8.9	11.6	10.6	10.8

Source: WFP: 1999 Annual Report Annex ii, 2001 Annual Report, Annex 1. ^a 2001 data are provisional.

Major trends in 2001: 1) Global food aid deliveries = 11MMT, decrease of 3% from prior year; ii) program food aid from bilateral donors decreased by over 15%, from 3.2 to 3.7MMT; iii) emergency food aid deliveries were at the same level as 2000, project food aid was slightly higher due to increase in school feeding; iv) nearly half of food aid in 2001 was for emergencies; v) the U.S. provided approximately 60% of global food aid in 2001.

There are some important trends to note in Table 1. First, as depicted in Chart 4, there has been a steady increase in the emergency food aid component of relief food aid from all donor during the past decade, and a corresponding reduction in program food assistance. Present U.S. government policy is to reduce budget outlays for food assistance not targeted on needy, food insecure populations. Other governments, notably Canada and the EU member states, no longer provide program food aid.

The present U.S. Administration is in the process of reforming food aid programs to ensure that they target the genuinely hungry and do a better job of avoiding perceived waste and adverse impacts. The Administration is developing proposals that would:

- direct feeding to the genuinely hungry populations;
- subject foreign policy and economic development programs, including food aid, to cost-benefit and performance analyses;
- minimize bureaucratic duplication and inefficiency;
- more consistently follow program guidelines and authorities;
- restructure and/or increase resources for other programs that promote foreign purchase of domestic agricultural products; and
- incorporate proposals in the FY2003 budget request that reflect these principles and the results of an interagency review of all food aid programs, activities and authorities.

The Administration has stated that the reforms are intended to result in what Administration planners hope are more reliable and consistent annual levels of food aid, and improvements in the ability of recipient countries, PVO Cooperating Sponsors, and US administrators to plan and implement appropriate activities and resource levels. The proportion of the total food aid program relying on the unpredictable availability of surplus commodity will not, in the future, exceed 10 percent. This will limit the use of Section 416b commodities. Safeguards intended to avoid potential displacement of U.S. or third country commercial sales will be strengthened.⁴

In addition, OMB wants to reduce the percentage of Title II food aid that is monetized⁵ by Cooperating Sponsors. Recent discussions with staff of USAID/FFP indicate that this is a serious concern being actively pursued by OMB staff. The outcome of these concerns, in terms of the percentage of Title II food to be monetized in the future (it has ranged between 50 and 65 percent in recent years), is unknown at this time.

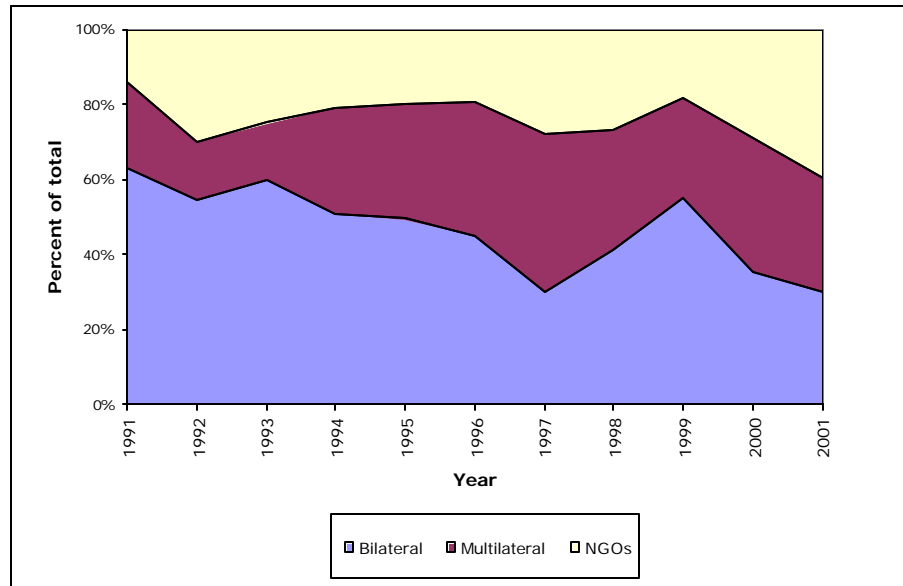
Another important trend reflected in Table 1 above is apparent recent growth in the percentage of global food aid flows channeled through NGOs and the concomitant reduction in food aid provided

⁴ See Annex 5 for the full text of the "President's Management Agenda" element entitled "Reform of Food Aid Programs"

⁵ Sold for cash in recipient or neighboring third countries. The cash is used to further program objectives.

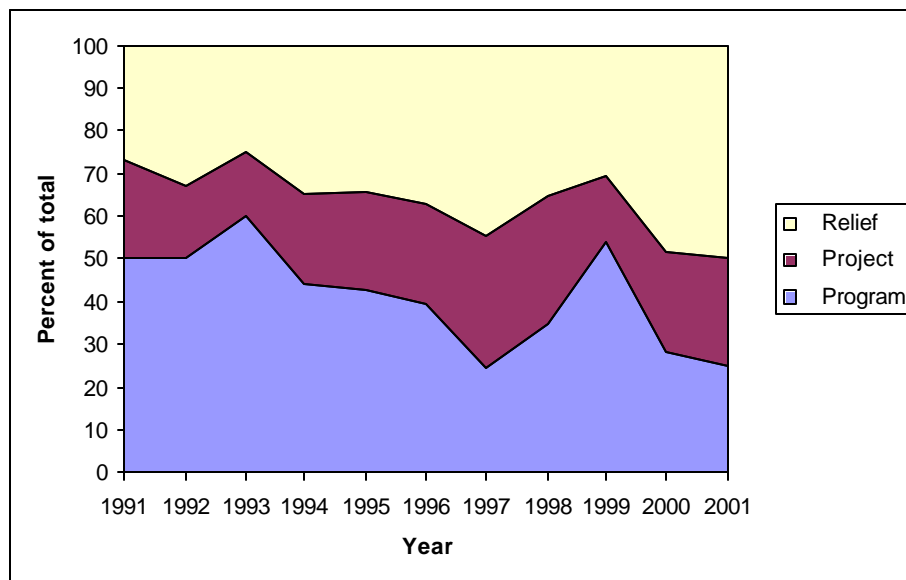
through bilateral government-to-government arrangements. Given the Administration's desire to reduce program food aid further, this trend should continue. It is depicted on Chart 4 below

Chart 4: Trends in food aid delivery channels, 1991-2001: Bilateral deliveries down, deliveries through NGOs grow



Source: WFP 2001 Annual Report

Chart 5: Trends in the types of total Food Aid, 1991-2001: As relief assistance grows, program assistance slows



Source: WFP 2001 Annual Report

Chart 5 shows the growth of the relative size of relief food aid from all food aid donors and the diminution of program forms of food aid. The latter would have become even smaller, save for large program food aid shipments to the Balkans in the early 1990s and to Russia in 1999. At its height, during the 1990s, program food aid constituted 50 or more percent of total tonnages. By 2001 it had dropped to less than 25 percent of all food aid.

2.1 U.S. food aid: policy, history, magnitudes, trends

There has already been discussion (in the context of program vs. project food aid) of the present Administration's agenda for making important changes in the way U.S. food aid will be focused in the future. What have been the attributes of food aid as they have developed in the recent past and what would these changes imply?

Since the promulgation of the 1990 U.S. Agricultural Development and Trade Act, enhancing the food security of the poor in developing countries has been *the* primary objective of U.S. food aid programs. According to the language of that Act:

It is the policy of the United States to use its agricultural productivity to promote the foreign policy of the United States by *enhancing the food security of the developing world* through the use of agricultural commodities and local currencies accruing under the Act to:

- Combat world hunger and malnutrition and their causes
- Promote broad-based, equitable and sustainable development, including agricultural development
- Expand international trade
- Develop and expand exports for United States' agricultural commodities, and
- Foster and encourage the development of private enterprise and democratic participation in developing countries.

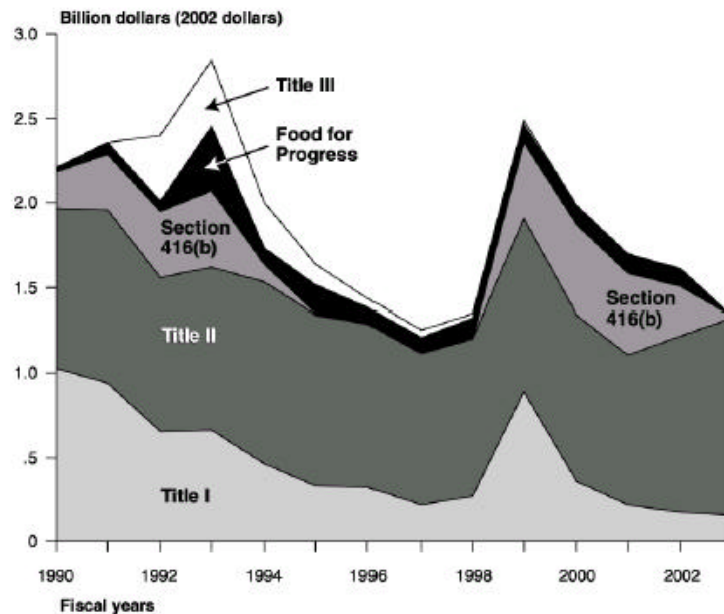
In pursuit of these food security and other objectives, U.S. official food aid during the 1990s and early 2000s has been made available to approximately 70 countries throughout the developing world. Of the 8.5 million metric tons (MT) of U.S. food aid provided in 2000 for example, 7.4 million MT (85 percent) was provided to 67 countries with significant levels of household food insecurity – 37 of them in sub-Saharan Africa (Shapouri & Rosen 2002).⁶

This food assistance was made available in several different programs: i) Section 416b which has provided donations of surplus foods held by the U.S. Commodity Credit Corporation (CCC) to developing countries under USDA auspices; ii) Food for Progress which authorizes the CCC to make food available on a sales or grant basis to developing countries also under USDA auspices; and iii) PL 480 which contains three separate programs: Title I – government-to-government sales under long-

⁶ The remaining 15 percent was provided to countries such as Russia and Indonesia facing severe economic crises.

term credit arrangements; Title II – food made available for humanitarian or development purposes on a grant basis; and Title III – government-to-government grants to assist in economic development programs in poor recipient countries. Title I programs declined in value from approximately \$400 million in 1995 to less than \$150 million in 2002. Title III programs declined from \$375 million in 1992 to zero in 2001, and there are no current plans to revive them (although legislative authority exists to do so). Title II programs, by far the largest component of PL480, have averaged more than \$800 million per year during that time period – a level likely to continue, or – possibly – increase to a certain extent, in the proximate future. In 1990, Title II accounted for about half of all PL480 appropriations. By 2001, Title II represented 86 percent of all PL480 food – a remarkable rate of growth in humanitarian/development priorities vis-à-vis the agricultural trade and market-oriented objectives referenced above. Chart 6 and Table 2 portray the changing fortunes of U.S. food aid programs since 1990.

Chart 6: U.S. food aid, 1990-2003



Source: GAO analysis of USDA data.

Table 2: Structure of U.S. Food Aid Programs

Program	P.L. 480 Title I	P.L. 480 Title II	P.L. 480 Title III	Food for Progress	Food for Education & Child Nutrition^a	Section 416(b)
Managing agency	USDA	USAID	USAID	USDA	President shall designate one or more federal agencies	USDA
Program structure	Concessional sales of agricultural commodities.	Donation of commodities to meet emergency and non-emergency needs. Commodities may be sold in country for development purposes.	Donation of commodities to least developed country governments.	Sale on credit terms or donation of commodities to developing countries and/or emerging democracies.	Donation of commodities and provision of financial and technical assistance in foreign countries.	Donations of CCC ^c surplus commodities to carry out purposes of P.L. 480 Title II and Title III and Food for Progress programs.
Intermediaries	Governments, private entities.	Governments, public or private entities, PVOs, cooperatives, intergovernmental organizations (such as the World Food Program).	Governments.	Governments, agricultural trade organizations, intergovernmental organizations, PVOs, cooperatives.	Governments, private entities, intergovernmental organizations.	See intermediaries for P.L. 480 Title II and Title III and Food for Progress programs.
Total budget allocation, 1992-2001 (billions of 2002 dollars)	\$4.38	\$9.62	\$1.34	\$1.33	NA	\$2.41

Source: GAO 2002

Title I, Trade and Development Assistance, is administered by USDA's Foreign Agricultural Service (FAS). It authorizes sales of agricultural commodities to developing countries under concessional terms including low interest rates and extended repayment periods. To be eligible for Title I, a country must: i) be a potential future commercial market for U.S. commodities, ii) be taking steps to improve its economy and food security situation, and iii) have a demonstrated need for food imports.

Title II emergency and development assistance provides commodities to respond to humanitarian and emergency needs as well as for food-assisted development projects. Virtually all Title II resources are provided through U.S.-based or recipient country NGOs or the World Food Program. Title II commodities may come from U.S. owned surplus stocks but, increasingly, they are purchased in the open U.S. market by the Commodity Credit Corporation (CCC) of USDA. The CCC also finances ocean transport and some storage and distribution costs. Present U.S. law requires that not less than 2.025 million metric tons (MMT) of Title II assistance must be made available in any given year. Other required elements of the legislation associated with the provision of food aid include:

1. The "minimum" – Total metric tons required to be programmed under Title II. In FY 2000, the minimum was 2,025,000 Metric Ton Grain Equivalent (MTGE). The actual figure was 2,452,000
2. The sub-minimum" – Total metric tons required to be programmed for non-emergency

activities through PVOs/CDOs⁷ and WFP. In 2000 this figure was set at 1,550,000. The actual figure in 2000 was 1,307,000.

3. Monetization minimum: the percentage of non-emergency Title II resources monetized, or sold, by Cooperating Sponsors. In 2002 the minimum was 15 percent and actual monetization was 53 percent.
4. Value added: Percentage of non-emergency program food commodities that are processed, fortified, or bagged. The target set is 75 percent. Actual achievement was 59 percent.
5. Bagged in U.S.: Percentage of bagged non-emergency commodities that are whole grain to be bagged in the United States. The target is 50 percent. In 2000, the actual figure was 66 percent.⁸

Title III which was originally entitled Food for Development constituted program food aid provided to recipient governments that are particularly good performers in undertaking policy reforms enhancing the enabling environment for privatization, agricultural growth and employment creation. It has also been administered by USAID. It has provided agricultural commodities to governments in least developed countries where they are sold, with the proceeds used for economic development programs or for emergency needs. Funding of Title III programs has been almost entirely phased out, with an FY 2000 \$5 million project in Mozambique the last financed element.

Table 3: U.S. Food Aid Program Levels, FY 1990-2000 (est.)(million dollars)

PL480:	FY90	FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	FY00
Title I	650	556	534	387	394	294	290	202	268	830	267
Title II	737	748	804	760	926	882	864	813	861	957	962
Title III	a/	a/	383	307	234	110	53	39	25	21	6
CCC b/	296	216	493	935	783	150	168	93	138	988	765
TOTAL:	1,683	1,520	2,214	2,389	2,337	1,436	1,375	1,147	1,292	2,796	2,000

NOTE: USDA data. Includes both the value of commodities shipped and other program costs such as transport, processing, administration, etc. This table is intended to approximate the level of food aid activity and how it has changed from year to year – not the final cost to taxpayers.

a/ Titles I and III were reported as a combined Title I program prior to FY1992.

b/ CCC donations include both Section 416 shipments and FFP.

Source: Becker and Hanrahan (2000).

⁷ Title II-using Private Voluntary Organizations and Cooperative Development Organizations are also referred to as Cooperating Sponsors.

⁸ USAID/BHR/FFP data.

3. Food Aid Issues

Food aid has been controversial since it was first introduced. The issues raised and long debated are numerous and the positions taken by those who favor or oppose the use of food aid as a development instrument often seem virtually rooted in stone. It is difficult in this brief report to enunciate all the issues or to appropriately nuance the most fundamental of them. The interested reader might wish to consult Riddell (1987) for a succinct, lucid presentation of the major issues and Clay and Stokke (2000) for a much fuller presentation. Barrett (2002) brings most of them up to date.

3.1 Difficulty of assessing effectiveness

Evaluating the effectiveness of food aid efforts confronts numerous methodological problems. Barrett (2002) lists six reasons for the difficulty:

1. food security, as the primary objective of food aid, “is inherently unobservable” requiring that correlated outcomes must be used as proxies. These include food expenditures, nutrient intake, morbidity, nutritional status and others.
2. All of these proxy indicators have shortcomings, requiring that several indicators be used and judgments made about relative weights.
3. Food security outcomes are influenced by “myriad uncontrollable factors, only some of which are typically observed.”
4. Widespread program participation in many contests, in both developing and developed countries requires studying the impacts of many programs simultaneously in order to derive generalized conclusions.
5. Many observed control variables are themselves endogenous and failing to account for endogeneity may result in biased estimates.
6. Too little use has been made of longitudinal data “in conjunction with estimation methods that account for dynamics, uncertainty, or both.”

As a result, in part, of these difficulties, there is still much that is unknown about the efficacy of different types of food assistance in gathering sustainable food security in target populations.

3.2 Additionality

The issue of “additionality” as it relates to food aid has been much discussed in the literature for at least 30 years. It can be looked at in at least three ways.

First, economists have attempted to measure the net additional food security benefit accruing from food assistance compared to other forms of assistance and to situations with no assistance. The benefits measured can themselves be of several types relating to one, or a combination of: i) additional food availability, ii) access, or ii) nutritional outcomes of food assistance vs. other non-food forms of assistance, or no assistance at all. The results are heavily dependent on estimates of expenditure or income elasticities and on measures of the marginal increase in food consumption or nutrition intake resulting from food assistance. Not all the food received is consumed. Some of the food received and consumed replaces food that would have been consumed anyway. To determine

enduring relationships and patterns using econometric tools is a complex undertaking.⁹ Overall, Barrett concludes, the weight of evidence suggests the food aid programs have additional positive effects “...by almost any outcome indicator.”

The second sense of “additionality” is in the programmatic or administrative dimension. Food aid from U.S. sources (but not EU/EC sources) is “additional” in the sense that it and cash forms of aid can not be substituted for each other. European Community food aid programs have the option of substituting cash for programmed food resources if the recipient country situation suggests the advisability of such a substitution. The U.S. program does not offer that option, except in the form of program food aid or monetized food being sold in the recipient or a third country for local currency. The food transfer from U.S. stocks to those of the recipient country, or a neighboring third country, do occur in the U.S. program. Thus, the term “additionality” in this sense is used to describe a situation where food resources are “in addition to” cash-financed resource transfers coming the U.S. or the donor community as a whole. Their being available on top of DA funds greatly reduces the applicability of arguments suggesting that cash aid is more effective or efficient than food aid. The real issues tend, in this situation, to boil down to “does it do more good than harm” and “how can its benefits be strengthened and any potential harm be reduced?” What is – or could be in the right circumstances – the inherent efficiency of food aid in delivering a net positive food security result among targeted beneficiaries over the long term? How is it best configured to deliver this result?

A third use of the term “additionality” refers to the requirement in the law that food aid not disrupt “normal” volumes of commercial food import flows. While, in most cases, it is nearly certain that the “additionality” of food aid in this sense is not perfect – i.e. it undoubtedly substitutes for *some* commercial food imports – the magnitude of such substitution is quite difficult to ascertain and is likely to be rather small in the larger scheme of things. Given changes in the U.S. food aid program in recent years (e.g., scaling back of 416b food and USDA’s Food for Progress program), the largest element has become Title II, and the largest piece of that in recent years has been the emergency assistance programs. The residual amount of food directed at economic development activities (and relating to improving food security outcomes) is simply not of sufficient magnitude to create significant problems for all but a very few food exporters in the outside world.¹⁰

3.3 Targeting

The effectiveness of food aid targeting on the food insecure poor is another area of considerable debate. Many studies have suggested that some, difficult to determine, percentage of food intended to assist the very poorest, most food insecure, beneficiaries does not reach them, but rather ends up in the hands of those who are less poor, less food insecure. Sharp (1997) states:

⁹ Barrett (2002) points out that “...since preferences, technologies, endowments, and the subjective probability distribution of exogenous variables may vary across individuals, and because these differences are known by individuals themselves but not by the econometrician, estimates may be biased by unobserved (cross-sectional or time series) heterogeneity. Moreover, program participation is itself endogenous, so reliable estimation must take into account the selection bias problem.”

¹⁰ Although these exporters can be very vocal and, in particular circumstances, may have valid arguments in claiming financial harm from subsidized or free food transfers being provided to some countries.

“Not surprisingly, the fairness of targeting appeared to vary greatly [in her survey areas in four Ethiopian zones] , with corruption being a big problem in some situations but not in others. There was much discussion of ways to prevent bias and abuse of power in selection. Another major common problem is reluctance to discriminate between households within communities, and a tendency to stretch small quantities of food over large numbers of people, either openly or by re-distribution after the official distribution.”

She concludes, among other things, that strategies for improving community targeting ought not be set according to some national standard, but should be based on locally-developed systems taking into account local customs and current capacity.

In their study of food aid targeting in Ethiopia, Clay et al. (1998) conclude that even in years of good harvests, 43 percent of rural households are food insecure and are highly dependent on ... “free food distributions or food for work...vital for the health well-being of these deficit households.” Nearly 3/4ths of Ethiopian households who would qualify for free food or FFW do not receive it, “due to unsuccessful food aid targeting overall.” Clay et al., like Sharp, find that a significant share of Title II FFW and free food goes to those who need it less than those who do not receive it. Clay, et al. recommend that area targeting (i.e., selecting the most food insecurity areas) be used in lieu of targeting of individual households, and that there be expanded and improved crop estimates, early warning data collection, and speeded efforts to complete usable area “vulnerability profiles” as a means of increasing the accuracy of targeting.

Those who manage current targeting systems readily admit these systems are not perfect, but point out that the cost of more precision in inclusion of the deserving and exclusion of the less deserving is extremely high, and that even those food recipients not among the poorest decile, are still very poor by any standard.

The USAID/CDIE evaluation of the impact of 40 years of global food aid (McClelland, 1998) synthesizes six in-depth countries evaluations (including Ghana and Ethiopia in sub-Saharan Africa) and was intended to derive lessons from the long and varied U.S. food aid experience in these and similar countries. The study concluded, among other things, that project food aid did a reasonably good job in targeting the poor (if not the “poorest of the poor”).

“Since project food aid is normally given directly to beneficiaries, it can be targeted to the poor. This occurred in all six case studies. Although program food aid is sold on the open market to anyone with money, it also can benefit the poor, indirectly. It can support (or encourage) an equity-oriented policy environment (Indonesia, Bangladesh), and the local currency generated from the sale of the food aid can be invested where the poor live and earn their livelihood—usually in rural areas growing crops (as occurred in all six countries).” (McClelland, 1998)

3.4 Costs

Food aid comes with a price tag. The distributional costs (procurement, storage, international and in-country transport, storage, and the added costs of managing the food commodity distribution) are, obviously, much higher than the in-country purchase of the same commodity. A metric ton of U.S.

hard red winter wheat is presently selling for \$174/MT in Kansas City. The transport costs (on a U.S.-owned ship) to say, Nazareth Ethiopia, via Djibouti, is approximately \$300. (Use of a non-U.S.-owned carrier cuts that price to less than half, but US law requires shipment of 75 percent of U.S. food aid on U.S. vessels.) Thus, a ton of U.S. wheat delivered to one of the larger food distribution centers in Ethiopia approaches \$500/MT (adding a bit for transport from Kansas to the Louisiana shipping port). There is still the cost of trucking the food from the Nazareth depots to the points where it will be provided to the beneficiaries. In some countries, at some times of the year and to certain distribution centers, this can add several hundred dollars per MT. In addition, as Barrett (2002) points out, there are costs associated with the targeting and screening of beneficiaries and the general administration of the food aid programs themselves. Finally, food is a perishable commodity with moisture damage, insect infestation, theft, and spillage constant threats. A ton of wheat delivered to beneficiaries in the Ogaden Region of Ethiopia can easily cost \$800 or more, plus storage, management and losses. Comparative costs would suggest local purchases or the use of cash resources. As noted, these alternatives are not normally available in the U.S. food aid program.

3.5 Disincentives

The arguments regarding the disincentive effects of food aid stem from concerns that food aid imports will blunt incentives for domestic food production (Srinivasan, 1989). There are numerous studies on this issue, both for and against. Clay et al, find evidence of such disincentives as do others (Clay and Stokke 2000; Maxwell, et al., 1994) while studies by Lavy and others find they need not occur. (Lavy, 1990; Mellor, 1987) There is evidence supporting both positions. Food aid does tend to increase supply and, in some situations, reduce producer prices. It is also, according to the Lavy study, associated with increased domestic production in other circumstances. The fact that the food insecure poor in Africa are simultaneously in need of access to more food at a reasonable price as consumers and in need of greater demand and higher prices for their food products as producers adds a certain dramatic complexity to the arguments. The point, for purposes of this report is perhaps best summed by Barrett (2002):

“There is little denying that FAPs [food assistance programs] have the potential to cause significant microeconomic and macroeconomic disincentive effects of various sorts. This was likely more a problem when FAPs, especially food aid, were driven primarily by surplus disposal and geopolitical concerns. The significant shift in emphasis among virtually all FAP types toward enhancing food security may have lessened disincentive effects, although this hypothesis remains to be tested empirically. Moreover, disincentive effects are avoidable. Experience shows that appropriate policies can mitigate, even reverse disincentives, and the major food aid practitioners today appear to have learned most of those lessons. Overall, the empirical evidence suggests that effectively managed FAPs rarely generate significant disincentive effects.”

Although there have for many years been voices of criticism regarding the utility of U.S. food aid,¹¹ others have argued that it can help significantly in efforts to lift populations out of poverty. The 1998

¹¹ Among the more recent is Ed Clay's briefing paper for the Overseas Development Institute entitled "Reforming food aid: time to grasp the nettle" (Clay, 2000b). The most cogent summary of the pros and cons of food aid can be found in Roger C. Riddell, *Foreign Aid Reconsidered* (Riddell, 1987). Arguments in defense of food aid as a valid development instrument can be found in T.N. Srinivasan, "Food aid: a

USAID multi-country impact evaluation of food aid supports the case that US government food aid has reduced hunger and malnutrition, improved food security, and launched countries on the path to sustainable economic development (McClelland, 1998). The development contributions of food assistance are not automatic, however. A supportive political and economic environment, systematic program planning, and agile implementation are required to assure cost-effective use and sustainable impact of PL 480 Title II resources in providing relief from hunger and in fostering lasting food security. (Riley, et al. 2002)

It would require more time and report length than is available have here to do justice to all the positions of all the discussants on these and numerous other issues relating to food aid. Pillai (2000) provides a useful summary for the position that food aid is beset with problems, is inefficient and cumbersome:

“Despite the methodological problems and incompleteness of the literature, the considerable number of evaluations and analyses has narrowed, if not entirely settled, the controversy surrounding the usefulness of food aid as an input for sustainable development. As the 1993 evaluation of the WFP pointed out, food for development is frequently a cumbersome resource, demanding specialized expertise and organization...There are also inherent institutional and community-level problems. It is frequently argued that developmental food aid projects act merely as palliatives, without addressing the root causes of poverty and food insecurity. But supporters contend that food aid provides a unique means of targeting the poorest and most vulnerable, whilst assisting long-term development...Program food aid has rarely focused on the poor and seldom has an impact on poverty alleviation efforts. A sequence of evaluations has concluded that [program food aid] is an ineffective method by which to increase the income and consumption of the poorest and may even have negative short-term effects on this group through its consequences for local production. As a result, donors have reached a near consensus¹² that this form of food aid has a role to play only in response to acute emergencies, when there is a temporary food or foreign exchange gap.”

Ridell's (1987) concise presentation of the pros and cons of food aid concludes:

“...there is still far too little evidence available of food aid performance for generalised conclusions to be drawn, even though there continues to be evidence of donors providing food aid that is inappropriate, misdirected or provided in a context that is conducive to negative ripple effects resulting. Where the critics have provided a service is in exposing the ignorance of donors and recipients and challenging the claims that food aid is necessarily beneficial. Where they have erred is in concluding that these adverse effects can never be overcome.”

cause of development failure or an instrument for success? (Srinivasan, 1989) and in P.J. Dearden and P.J. Ackroyd “Reassessing the Role of Food Aid” (Dearden and Ackroyd, 1988). The specific issue of whether or not food aid causes disincentives for agricultural production is well-presented in Jim Fitzpatrick and Andy Storey “Food aid and agricultural disincentives” (Storey and Fitzpatrick, 1989).

¹² The author points out elsewhere in the article that program food aid is provided only by the U.S. and Japan – the latter specifically for North Korea – Canada, the EU governments, and Australia having earlier terminated this form of food aid.

Much of the information contained in Section II.D. below and the supporting Annexes 5 and 6 is intended to demonstrate just how far the primary food aid donor – the U.S. government generally, USAID/FFP, and the Title II Cooperating Sponsors themselves – have come in proving they have learned from the decades of discussion and criticism on these issues and in making Title II food assistance an unqualified development resource.

3.6 U.S. domestic concerns

Lastly, before turning to the review of the recent experiences of U.S. food aid, it is important to recall that there are also issues of a quite different tenor that impact on the nature, size and modalities of present U.S. food aid. These involve the voices of interest groups and those who earn their living from the trade in U.S. food aid and who can exert considerable influence on Congress, USDA and USAID's management of food aid. These concerns and issues include, but are by no means limited to:

- the desire of U.S. producers to sell as much of their agricultural products as possible at remunerative prices;
- the views of agricultural transporters and value added processors who would like to see as much of food aid in value added form (as flour, processed, fortified, bagged, etc.) and transported in U.S. vessels;
- members and staff of the U.S. Congress, who attempt to balance domestic commercial interests of constituents with their perception of the need for food aid in the poorest countries and other policy interests of the United States;
- USDA, whose position has historically been that food aid must be fundamentally concerned with U.S. agricultural trade interests and the development of sustainable markets for U.S. agricultural exports;
- U.S. agribusinesses which wish to ensure that food aid is not used in ways that might eventually decrease their overseas and domestic sales;
- those groups in the U.S. who wish to assist producers in the poorest countries to market particular agricultural goods in the US but are unable to do so because of tariff and non-tariff protection of American producers of these and competing commodities.
- Humanitarian, religious, and other groups concerned about the prevalence of hunger and focused on the use of U.S. food aid to respond to, if not overcome, it.

In sum, notwithstanding the various positions – however strongly felt – with regard to the above, and other, issues attending U.S. food aid programs, these programs will almost certainly continue well into the future. Title II emergency and development aid seems likely to remain the dominant form of U.S. food assistance. The questions are whether Title II will grow to satisfy an unmet need for food resources and whether emergency food aid focused on acute food insecurity will continue to grow and – if so – will such growth be at the expense of food availability for development projects aimed at the underlying and intractable factors causing and perpetuating chronic food insecurity.

Due to global political and security issues, present and likely future budget constraints, competing demands for legislators' attention created by some of the above issues and concerns, and the

uncertainties attending the international consequences of 2002 farm legislation, it is particularly difficult to determine likely magnitudes of future year appropriations for U.S. food aid programs. Recent trends depicted in the foregoing Charts and Table above seem likely to continue. Increases in the levels of program food aid are, as noted, unlikely and further reductions – particularly in Section 416b and PL480 Title I – are probable. The size and source of the multi-year food budget for the Food for Education and Child Nutrition Program remains unknown.¹³ There continues to be strong bipartisan support for providing emergency Title II assistance, given the on-going food emergency in Southern Africa and present projections of an extremely widespread and severe drought-caused food shortage in the Horn of Africa, plus on-going requirements for food aid in Afghanistan and the uncertainties attending other countries in the Middle East. There seems every likelihood that emergency requirements will, indeed, grow in the near term and quite likely in the long. There is also continuing clear evidence of widespread chronic malnutrition almost certainly continuing to involve more and more African households unable to command the food resources they need for minimally adequate nutrition. The present Administration and many in Congress show clear willingness to provide as much as is needed to feed those poor in Africa and elsewhere confronted with acute food insecurity. Whether there will continue to be willingness to use U.S. food resources in ways that confront the long term causes of chronic malnutrition – and, if so, at what level – is unclear. Much will depend on making a compelling case for usefulness of food aid as an effective weapon in confronting the factors causing obdurate food insecurity.

3.7 Present food security situation in Africa

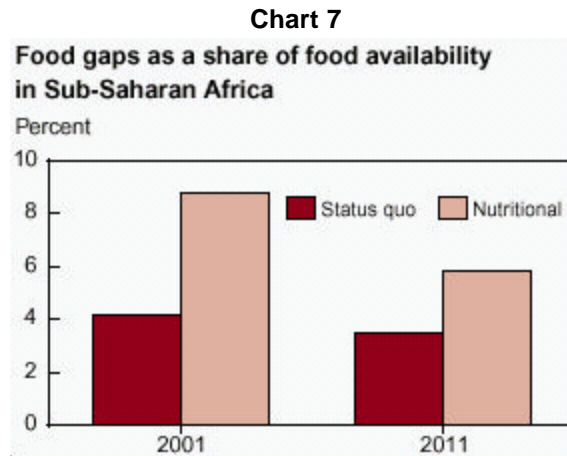
USDA's Economic Research Service (ERS) reports that the aggregate food security situation for the 67 low-income countries deteriorated in 2001 relative to 2000. The main reason is the "impact of food production shortfalls in many countries coinciding with the global economic slowdown that intensified foreign exchange constraints in these countries and limited their ability to import food." (USDA/ERS, 2002)

Recent reporting by USDA indicates that "this year's deterioration, coupled with slow progress in improving food security in the recent past, casts growing doubt on achieving the goal set at the World Food Summit in 1996 to halve the number of hungry people by 2015. The ERS projections for the next decade show a 1.6-percent annual decline in the number of hungry people. This suggests that the situation will improve, but will fall short of the 3.5 percent annual decline needed to achieve the goal of the World Food Summit."

Sub-Saharan Africa continues to be the most vulnerable region – containing 23 percent of the population in surveyed developing countries, but accounting for 38 percent of all hungry people in those countries in 2001. About 337 million Africans – some 57 percent of the region's total population – are classified as food insecure. This represents an increase of 19 percent in this food insecure category since the mid-1990s, a trend expected to continue (USDA/ERS, 2002). A recent (March 2002) projection of the future food gaps for sub-Saharan Africa is for a slight reduction in the *percentage* of the African population unable to satisfy their nutritional food needs (but a continuing increase in *absolute* numbers).

¹³ Earlier unofficial discussions were in the range of \$200 - \$300 million/year.

As a share of food availability, ERS projects the status quo food gap to decline from 4.2 percent to 3.8 percent in the decade between 2001 and 2011; the nutritional gap from 8.9 percent to about 6 percent (See Chart 7 below). In the African context these gaps translate into the above-mentioned 337 million food insecure poor Africans consuming less than 2100 kcal/day. Africa may account for 38 percent of the world's hungry in 2001, but it is projected to grow to 50 percent by 2011. All of these projections should be considered highly conjectural, however. There are a number of factors whose weight – good or bad – cannot be readily quantified. The effect of HIV/AIDS on agricultural production being just the first.



Note: the status quo gap refers to the amount of food needed to maintain per capita consumption at 1998-2000 levels (which in case of Africa, are quite low). The nutritional gap is the additional food needed to supply all individuals in the surveyed countries with nutritionally acceptable levels of food.

Looking specifically at agriculture production, ERS projects that average annual growth will be at about 2.9-3.0 percent/year. This would be slightly above the projected 2.8 percent population growth rate and, therefore, would add only marginally to net food availability in the upcoming decade, according to the ERS model. Projected commercial grain imports during the period are unlikely to add appreciably to overall food availability, given continued foreign exchange and international indebtedness constraints for most African countries. Rates of agricultural growth and per capita food availability will, of course, vary from county to country and between regions within countries. Nonetheless, a substantial (though perhaps slightly declining) gap seems certain to endure between what Africans will require for minimal nutritional adequacy and what is likely to be available from self-production and the market. In most cases, domestic production will fall short of nutritional demand and food imports will be required, as will some sort of assistance to food insecure households to acquire the food they need through enhanced capacity to produce more of it themselves, to produce something else they can trade for it, or through transfer mechanisms. Food aid (or “aid for food”) will be required if that gap is to be reduced in the near- or medium-term.

While in the past agricultural gains in Africa have been based to a considerable degree on bringing new land into production, or of reducing (eliminating in many places) field rotations and fallowing, agricultural production increases in the future will, most experts agree, have to come from increasing productivity of the land and of agriculturists. In addition to constraints stemming from temporal

reduction in per capita net availability of adequate soils and pasturelands, there are a familiar host of related constraints, including: i) poor – and in cases deteriorating – access to rural and small town markets caused by inadequately developed and maintained road transport systems; ii) high marketing costs facing small-scale producers/herders and a lack of competitive trading; iii) inadequate access to, and inappropriate deployment of, natural and chemical fertilizers and high-yielding seed varieties; iv) continued widespread deterioration in the natural resource patrimony – soils, vegetative cover, pasturelands; v) increasing percentage of smallholders constrained to farm in moisture-deficient, ASAL areas; vi) increasing episodic disruption, particularly in border areas, caused by banditry, theft of livestock and civil disruption.

With regard to demand for food, USDA estimates that per capita consumption may increase, at least marginally, in 16 of 37 surveyed countries in sub-Saharan Africa. In part, the increase will come as a result of high rates of HIV/AIDS infection and resultant population growth rates in some countries falling below growth in agricultural production. This may, perhaps temporarily, increase per capita food availability and reduce prices. There is a good likelihood, however, that with lags, the adverse impact of HIV/AIDS on agricultural production caused by declines in productive labor would more than offset the “gains” caused by fewer mouths to feed. These dynamics will need close scrutiny in the months and years ahead.

4. The Role For U.S. Food Aid In Sub-Saharan Africa

The task for food aid to Africa over the next decade and beyond is – in appropriate combinations with DA resources – to become increasingly effective in reducing not only the relative percentage of those in Africa suffering from chronic food and nutrition insecurity, but also in helping reduce the absolute number of Africans confronting continuing food deprivation. In this, the objective of food aid used for development and IEHA’s agriculturally-focused proposed program are virtually identical.

In order for any development resource to be effective in improving long-term food security status, there must be reasonable sound understanding of the causes of the food insecurity being addressed. A decade and a half of research and experience with numerous types and combinations of development projects (with and without food aid components) and modalities have not much improved on Hans Singer’s assertion in 1987 that: “The real food crisis in Africa is the steady deterioration, the steady decline, in food production per capita” (Singer, 1987). To bolster his point, Singer compared the changes in comparative agricultural production between the India and Africa in the 1960-87 period, noting that both sub-Saharan Africa and India had produced 50 million MT of food grain in 1960. By mid-1980s, India was producing 150 million MT/yr, while sub-Saharan Africa was still producing a little more than 50 million even though the continent’s population had more than doubled. He further noted that the average African producer in 1987 produced about 600 kg of grain while his/her counterpart in North America produced 80,000 kg of grain, a ratio of 130:1.

Very little has changed. While present estimates now place average African grain production at about 1000 kg per hectare,¹⁴ the numbers of people being supported by that hectare of production increased by more than 50 percent between 1987 and 2002.¹⁵ Per capita food availability from domestic production declined substantially in the 1960-1990 period in many parts of Africa (Cleaver and Schreiber, 1994) and continues to do so. (See Chart A2a in Annex 3) Recent World Bank estimates suggest that per capita cereal production declined from 128 kg/person to 124 kg/person between 1967 and 1997.¹⁶ In his keynote address at a symposium marking the 10th anniversary of the World Food Prize, former World Bank President Robert S. McNamara stated:

“If one looks out a quarter of a century to the year 2020, world population will increase by nearly 2 billion to approximately 8 billion; global food production will rise proportionately; environmental degradation will increase, limiting the opportunity for future production increases; and the number of hungry will grow to over 1 billion. But as compared to today when food supplies are adequate across the globe, certain regions

¹⁴ With a wide variance. Some African producers with adequate soils and good water availability are producing 3-4MT/ha, others, in the more arid and semi-arid (ASAL) areas, produce no more than 400-500 kg/ha, on average, and face higher probability of drought.

¹⁵ At an average population growth rate of 2.9 percent/year, population doubles in a little under 25 years.

¹⁶ World Bank, 2002 “A multi-country agricultural productivity program for Africa.” Internal working draft document. World Bank, Washington DC.

of the world – in particular sub-Saharan Africa – will become food deficit. This will vastly increase food insecurity in these regions.” (McNamara, 1999)

In 1991, the World Bank and WFP published a joint report entitled “Food Aid in Africa: An Agenda for the 1990s.” It concluded that food aid is a significant development resource that should be used to attack hunger and poverty. “Owing to its history, constituency and inherent nature, food aid has a special advantage in sustaining poverty focus, [and] supporting food security programs...” The report went on to note that Africa’s food imports would continue to increase and that hunger and poverty would increase. It asserts that “there is no evidence that food aid has been a disincentive to production of food in Africa.” The challenge for WFP and other food aid providers is in maximizing the progress toward sustained improvements in food security that results from the use of food aid (increasingly in combination with financial and other non-food resources).

U.S. non-emergency food aid directed at food security objectives in Africa is now almost entirely comprised of PL 480 Title II development-focused food commodities¹⁷. The dollar levels for the food commodities in 2000 and 2001 were \$450 million and \$467 million. Of these amounts, U.S. Title II Cooperating Sponsors received food commodities worth \$131 million in 2000 and \$122 million in 2001 for their Title II programs. On average, 50 to 60 percent of the food commodities were monetized – a level deemed too high by OMB and others in the Administration. A few Cooperating Sponsors, such as Africare, have built their programs almost entirely through monetization, with only minimal use of direct food distribution. Several, such as World Vision, International (WVI) blend Title II resources with financial resources from other donors, or from private contributions. In Ethiopia, for example, less than 25 percent of WVI development activities are financed from Title II food and monetization resources.

As discussed elsewhere in this report, monetization levels are likely to be significantly less in the proximate future. In cases where the Cooperating Sponsor monetizes the majority of its Title II food resources there is growing concern over how they will be able to maintain on-going program momentum. However much it might seem a simple process to those in OMB demanding a reduction in monetization, a transition from relatively high monetization rates to much lower rates will create havoc with on-going, food security-focused (and generally effective) development programs which will continue to need local currency to buy needed local skills, pay local operating costs, purchase supplies and equipment and for other project-related needs.

¹⁷ And the supporting dollar accounts – 202(e) and ISA funds – intended to cover some of the NGO administrative costs of operating Title II programs.

4.1 Box 1: Summary of food aid options for use by the IEHA program

USDA Title I and Food for Progress

- Relatively small programs that are likely to get smaller over the next few years
- Operates in only a few countries, none in Eastern and Southern Africa (See Annex 2)
- Not necessarily available for protracted periods in support of development objectives in a particular country

USDA Section 416b

- Present U.S. policy is to reduce availability of Section 416b commodities well below past levels, to be used primarily for backstopping emergency and recovery operations.
- Has not been a particularly good development tool because its availability from one year to the next cannot be guaranteed.
- It is based on surplus availabilities in the U.S. domestic market.
- Actual commodities in any year can be quite different from commodities available in the previous year. Yellow corn available in year one may become rice or sorghum – or nothing – in year two.

USAID PL480 Title III

- Program is presently moribund and, with the exception of the possibility of use of existing transfer authority, unavailable as a development tool.

USAID PL480 Title II

- Emergency assistance might be of some interest if FFP, local USAID Missions, and CSs were able to assist local governments to develop effective “relief-to-development continuum” program generating enduring assets.
- Development assistance offers IEHA the best option for integrating progress made under food aid program with progress to be made under IEHA program. Key is in focusing on what the Cooperating Sponsors can bring to the table rather than what the food resource itself contributes.
- Farmer-to-Farmer Program provides short-term technical assistance, which might prove to be of use in specific research application situations, especially if this program could be concerted more closely with Cooperating Sponsors’ development projects.

5. Modalities of U.S. food aid in East and Southern Africa

This section, following the outline in Box 1 above, discusses food aid modalities and their application to Eastern and Southern Africa.¹⁸ It focuses mostly on Title II which seems likely to be the primary food aid vehicle in the sub-region for promoting a development agenda focused on chronic food insecurity. The section concludes with a discussion of the important interface that must be developed between IEHA project entities and the managers and implementers of Title II – the Cooperating Sponsors and the World Food Program.

5.1 Food for Progress, Section 416b, and Title I

The prospects for use of these instruments of U.S. program food assistance in support of the IEHA program appear dim for reasons already discussed. Present U.S. government policy, and added efforts now under review are almost certainly to result in much reduced U.S. program food assistance.

In theory, African countries with populations significantly undernourished, facing increasing gaps between what they produce or can afford to import but which were, in all other ways, establishing all the right priorities for encouraging long-term economic, social and political development would be good candidates for assistance with their food import requirements. Currently, however, program food aid tools for providing such assistance have been decreasing and are, in effect, unavailable for these purposes. Perhaps for countries identified for participation in the new “Millennium Challenge Account”¹⁹ U.S. economic assistance program there might be a way to use non-program food aid resources for that purpose.

Although program food aid is not likely to be helpful, financial support from a future commodity import program (CIP) could theoretically provide the same result in a given country situation. Under such programs in the past, a recipient country’s good performance on mutually-agreed policy agendas would result in the U.S. establishing a line of credit with soft repayment terms for the benefit of foreign exchange-starved private enterprises in a the recipient developing country. The foreign exchange costs for the purchase of needed U.S. commodities would be covered by the U.S. credit. The local currency equivalent of the dollar costs (plus transport) would be deposited by the importer into a special ‘counterpart’ account established under the aegis of a mutually agreed bank. The funds

¹⁸ There is an enormous repository of evaluated experience in using food aid to promote food security in the literally hundreds of individual projects and activities that have been undertaken during these years. There has been a progression of experiences, as well, with program food aid (most recently in Title III, but previously in program food-assisted agricultural sector support programs). This evaluated experience would offer a treasure trove of lessons learned (and, undoubtedly, lessons learned but forgotten, lessons unlearned, and lessons that should have been learned) to impart to present-day practitioners of the food for development art, if only this oeuvre of evaluated experience were readily available. Some can be found in USAID’s CDIE evaluation library, most have been filed away and are largely forgotten.

¹⁹ So little is known about how, where, and when the proposed \$5 billion per year program will operate that nothing useful can be said in this report.

so deposited would then be available for mutually-agreed local development activities.²⁰ Under certain circumstances such commodity import-enabling programs can have a beneficial impact not only on economic growth generally (by importing critically-needed spare parts, transport vehicles, or other commodities) but on specific types of employment creation and income increases. Food commodities could also be imported under these conditions to help fill gaps where domestic supply of essential consumables was substantially below market demand at prices affordable by the majority.

Notwithstanding the potential use of program food assistance or commodity import programs, the present policy environment in Washington almost certainly precludes their use in the near future.

5.2 Title III

In theory, Title III – also a form of program food aid – would be the perfect resource for IEHA’s purposes in countries: i) where there was an unmet demand for imported food commodities that could be supplied under a Title III rubric, ii) where government policies were supportive of agricultural-led economic growth, and iii) where private importers would be willing to pay the local currency equivalent of world market prices for the imported commodities.²¹ The present policy environment in Washington would seem to preclude such use in the near term. However, the groundwork for developing and presenting a good case for its future resurrection should be initiated, aimed at convincing Administration officials and legislators to authorize and appropriate future Title III resources specifically to support IEHA agricultural development objectives in Africa. While success in building such a case is by no means assured, there are a number of points that should give it weight – perhaps even sufficient weight to carry the day. Suggested points to be made in developing a case to reflate Title III include:

- The projected continuation of the gap in many African countries between what they are now producing and the food needed to maintain minimally adequate nutrition levels
- The possibility of using a Title III program as an effective tool introducing more recipient country traders and importers to modern international trade practice, in effect a corollary development objective – bringing more business people into the international trading and commodity sector while at the same time increasing competition and opening the process up to “the little guy”.²² (See Chapters 8-11 of the FAM Monetization Manual for examples of a process that could be applied to future Title III sales procedures)

²⁰ Or, in cases where the IMF or other financial entities deemed the creation and use of such accounts dangerously inflationary within the financial ambience of the recipient country, these funds would be sequestered and their use metered or prohibited.

²¹ And which could also earn a green light from the required Bellmon Determination (in effect, a legally-required certification that in-country storage was adequate and that the imported food created no significant disincentive to local production) and pass the Usual Marketing Requirement (UMR) test.

²² This has a cornerstone of Africare’s monetization program over the past several years which has shown good results.

- Description of the enhanced efficiency in delivering food security results where IEHA-developed projects could have on-going use of a specific IEHA “counterpart fund” to cover the costs of extending and multiplying successful agricultural productivity-enhancing activities and in developing ancillary agriculturally-based businesses.
- Description of exactly how Title III counterpart accounts in the private banking sector would be managed to assure that all proceeds are accounted for and the uses of those proceeds for food security-related purposes would be monitored and audited.
- Description of how progress would be measured against growth, income, and household food security objectives

5.3 Title II

Most U.S. food aid to Africa in the next several years will come from PL480 Title II. It will be provided through the U.S. and recipient country PVO Cooperating Sponsors and through the World Food Program. It will be divided between emergency relief and development uses, with the latter also containing humanitarian distributions for what are, in effect, safety nets for targeted beneficiaries. The relationship between what IEHA proposes to finance and future activities assisted through the various operational modes of Title II food aid is important to consider. The remainder of this subsection discusses the various Title II activities, provides (in the related Annexes 5 and 6) brief descriptions of Title II development activities, and proposes a framework for the future interface between IEHA activities and the Cooperating Sponsors and WFP.

5.3.1 Emergency assistance

Certain types of emergency relief assistance offer potential areas of interest in supporting achievement of IEHA objectives. Certainly, to the extent that emergency relief assistance is better able in the future to generate a positive development impact, it could help reduce the vulnerability of households to future emergencies by increasing their capacity to “weather” short-duration emergencies and extend the time between the advent of an emergency and the need for the donor community to provide emergency food aid.

There is a long history of dissatisfaction with the quality of “assets” created in emergency-related FFW efforts. As Raisin (2001) suggests:

“There is now general recognition that that food aid per se cannot address the structural causes of rural poverty. However, recognizing the limited present funding environment for development programs, and the unsustainability of annual gratuitous food distributions, many donors have sought to promote the relief-development continuum through employment generations schemes (EGS) and other related activities (e.g., FFW, CFW, EBSNs). These schemes purport to make effective use of relief resources to establish community assets and thereby bridge the gap between relief and development. Whilst there is much merit in their objectives, their impact on promoting and maintaining productive livelihoods systems and developing community assets is less than hoped.”

In Ethiopia the federal government and several of the regional governments, with assistance from WFP are attempting to increase the training of those who manage emergency FFW to enable them to undertake better planning and closer supervision of emergency works programs using the Indian Employment Generation Scheme (EGS) as a model. Under the still-experimental Ethiopian program, support, in all ways similar to that provided to development FFW programs, is being provided, with the primary difference being that such support is limited to six-months of effort as compared to the five years of support provided under developmental FFW activities. The hope is that, by keeping the asset creation effort focused on simple structures (e.g. compost pits) there will be fewer opportunities for the construction of poor quality assets. In addition, USAID/Ethiopia is financing an experimental “R2D” activity in Amhara Region intended to increase the development impact (through improving the selection of, and sustainability of, assets created under relief-type food assistance). Both of these approaches may yield new and better uses of emergency relief assistance in creating enduring assets supporting the work of other projects – including those to be initiated under IEHA – in promoting lasting food security.

5.3.2 Development Assistance

Title II promoting development activities intended to enhance food security can be provided in several modes:

5.3.3 Food-for-work

Food-for-work creates employment for low income food insecure workers in development activities. These workers are paid with food of a value equal to or just below the existing formal or informal minimum wage. The criticisms of FFW are that it is poorly targeted on the most needy rural poor and that it can create a local disincentive effect when the FFW recipients sell a portion of the food they receive. Often in these criticisms, there is no attention given to the fact that the households that sell some of the food they receive (say, vegetable oil or wheat) use the proceeds of that sale to buy other foods that are normally locally produced. Probably 60 percent of the funds are used in this way. Also, there is little attention given to assessing the long term benefit stream accruing from the assets created by the FFW labor force.

FFW can, for example, be used to:

- Build, rehabilitate, or maintain local roads, or road drainage systems
- Construct physical structures intended to eliminate gully and sheet erosion
- Construct or rehabilitate stone, dirt, grass and many other types of bunds to slow the flow of water and enable greater soil moisture retention
- Hillside rehabilitation and re-vegetation
- Construct area enclosures for preventing overgrazing, or to delineate holdings
- Construct crop storage, animal holding pens
- Build ponds, earthen dams, stream diversions (for seasonal irrigation)
- Construct irrigation canals and watercourses
- Constructing compost pits
- Dig shallow wells
- Build local structures – health facilities, schools, meeting halls, crop auction floors

- Build local market centers
- Build pit latrines, communal shower facilities, paved sidewalks, stores and shops
- Swamp drainage and rainwater run-off facilities.
- As payments to community-designated recipients: village-based enumerators used to collect baseline and IR monitoring data, health volunteers, landless rural poor working on community-designated works programs
- As a community-based form of insurance to enable otherwise skeptical farmers to undertake substantial improvements temporarily depressing yield or production during a transition to a new form of production, or when agreeing to switch his/her production to cash crops.
- Helping prevent household asset depletion when communities are hard hit by emergencies.
- And many others.

5.3.4 Monetized proceeds

Title II monetization proceeds – since they represent food converted to local currency – have an even larger realm of possible uses, including:

- Paying operating and other costs associated with the in-country management of food resources
- Financing small business start-ups
- Paying costs of training programs
- Paying for local audits
- Contracting with local consulting firms to undertake M&E responsibilities (also providing a capacity-building element for the local firm's staff)
- Local purchases of FFW commodities rather than using imported food in particular situations where there is a particularly high potential for disincentives for local producers.
- Providing start-up capital for initiating farmer association-based thrift and savings societies (especially for women).
- And many others

5.3.5 Direct transfers

Food rations provided directly to pregnant and lactating mothers and their malnourished infants and young children in community-based maternal and child health and child survival clinics, or through local health practitioners also has important ancillary (though often lagged) effects on agricultural growth. They help break down an age-old cycle where malnourished mothers, themselves low birthweight babies, giving birth to another round of low birthweight babies who will, in turn, will become the malnourished mothers and fathers of yet another generation of low birthweight babies, and so on – indefinitely. The combination of programs aimed at increasing per household production and productivity twinned with efforts to improve the health and nutrition situation in these households is another example of combating food and nutrition insecurity on multiple fronts simultaneously. Both approaches provide positive stimulus to the other in achieving the desired result of healthy, well-nourished, more productive, and eventually, better-off individuals and households.

5.3.6 Safety net programs

Food provided to maintain adequate nutrition among the elderly, infirm, incapacitated and orphans is normally undertaken for humanitarian rather than economic reasons. For some Cooperating Sponsors such as CRS this is a significant percentage of their food aid programs. The extended families of these recipients of free food transfers are relieved of some of the demands on their extremely scarce resources as a result. Resources that would otherwise have been directed at the care and feeding of the incapacitated poor can be directed to the care and feeding of the working members of households and their children.

The advent of the HIV/AIDS pandemic in much of sub-Saharan Africa and the dire projections of the human, social, and economic impacts of this terrible disease have had a sobering effect on those attempting to program food resources in the near term and in projecting food requirements for the indeterminate future. Food aid has several roles to play in confronting both the causes and the effects of HIV/AIDS. First, provided to early stage HIV/AIDS sufferers, food assistance can help maintain adequate nutrition and reasonably good physical status for considerably longer than would be the case if the affected individuals were also malnourished. They are able to work longer and to provide for their family for an additional one, two, or more years beyond what would otherwise have been the case.

Second, food aid to the households of later stage HIV/AIDS sufferers helps them bridge the transition to another form of household livelihood strategy.

Third, FFW and safety net combinations can help provide food resources to households which have lost members to HIV/AIDS and unable, as a result, to continue farming for a period of time during which new skills can be learned and off-farm opportunities sought. In some cases it may be possible to establish a village-based food 'bank' stocked with food intended by donors to be used to cover the food needs of HIV/AIDS-afflicted families for a transition period. The actual families aided, and the time of that transition period would be decided by the community itself and the food transfers managed by a sub-committee set up by the community for that purpose.

5.4 Other

5.4.1 McGovern-Dole International Food for Education and Child Nutrition Program

This newly authorized program is intended to prove U.S. food resource to school feeding and maternal, infant and child nutrition programs in poor countries using U.S. PVOs, cooperatives, the World Food Program and recipient governments. The first year of the program is budgeted for \$100 million from Section 416b resources. The source of funding for programs in 2004 and beyond is not yet determined.

5.4.2 The Bill Emerson Humanitarian Trust

This element of U.S. food aid is primarily a reserve comprising 4 million metric tons of wheat, corn, sorghum, and rice used to fulfill commitments stemming from unanticipated emergency needs in developing countries or when U.S. domestic supplies are inadequate to meet other food aid commitments. It replaced the previous Food Security Commodity Reserve. It has recently been used to meet unmet emergency food needs in Southern Africa.

5.4.3 Farmer to Farmer

The FTF program, funded from PL480 Title V which provides funds to provides voluntary technical assistance—American volunteer farmers and agricultural professionals—on a short-term, people-to-people basis to farmers, farm groups, and agribusinesses to improve production, processing, marketing, and distribution of agricultural commodities and stimulate private enterprise, agricultural cooperatives, and associations. More than a thousand such assignments are undertaken every years at an annual cost of approximately \$10 million.

5.4.4 Cooperating Sponsors and their projects

The core of U.S. food aid provided to Africa to confront food insecurity will be Title II, particularly that provided through the Cooperating Sponsors and WFP. Increasingly, too, much of the food provided through emergency relief operations is likely to be programmed in ways that promote food security-oriented development objectives more effectively than in the past. The development projects of the Cooperating Sponsors are, in a very literal sense, the “forward battalions” in the war on food insecurity, engaged in numerous small, but important skirmishes in that war.

There are fourteen²³ Cooperating Sponsors currently receiving U.S. Title II food aid to operate development and relief programs in East and Southern Africa. Of these, eleven have active development programs focused on food and nutrition security objectives. Title II development programs are currently operational in Burundi, Ethiopia, Kenya, Madagascar, Malawi, Mozambique, Rwanda, Tanzania, Uganda, and Zambia. There are programs in South Africa using Food for Progress (USDA) resources and programs in Burundi, Djibouti, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mozambique, Rwanda, Somalia, Sudan, Tanzania, and Uganda using emergency Title II funds and/or Section 416b commodities. Several of these programs are operated by the WFP as either development activities, Protracted Relief and Recovery Operations (PRROs), or International Emergency Food Reserve operations (IEFRs). In many countries, such as Ethiopia, Eritrea, Kenya and Uganda, U.S. food aid efforts have been underway continually since the 1960s.

Attempting to convey the range of Title II country strategies, development projects and the differing methodologies employed by Cooperating Sponsors who operate them is difficult. What is attempted in this report is the assembling of a sub-set of recently evaluated projects in Annex 5 as a representative set of these activities. These are presented in a broad set of extracts from Cooperating

²³ ACIDI/VOCA, ADRA, Africare, CARE, CRS, DIA, EOC, FHI, LWF, NPA, REST, SCF, TechnoServe, WVI. (FY 2000 data)

Sponsors' projects in Ethiopia and are packaged for this report as examples of what is now underway in confronting food insecurity in arguably the region's most food insecure country.²⁴ The purpose is to familiarize the reader with the array of activities in the agriculture/NRM domain presently being implemented by the eight CSs operating there. Other country examples could have been selected, but these from Ethiopia have very recently been evaluated and demonstrate quite well the breadth of Title II activities.

The activities described are taken from the author's recently concluded (June 2002) evaluation of the performance of Title II development projects in Ethiopia over the 1993-2002 period. The extracts are specifically focused on functional areas of presumed interest to IEHA managers, i.e., they are agriculture-promoting, or agriculture sector development activities. It is suggested that the reader review these summaries as a way of gaining a sense of the diversity of activities in agriculture- and natural resource management-related areas currently operational in Ethiopia. These food security-focused activities use varying combinations of direct food approaches and monetization to make progress toward project-level strategic objectives. Even though these activities are financed, in the main, with monetized resources, the range of activities is not much less wide than the range of USAID activities financed with cash and technical assistance resources. The differences between activities that are Title II-financed and those that are part of the regular USAID DA program are important, however. The key differences include:

NGO activities are, on average, smaller, usually involving no more than several thousand directly-benefiting households – often in the 3,000-10,000 households range.

NGO activities have a different field presence and management structure. A USAID project structure may come into existence, remain for 5-7 years and then be disassembled as the project completion date comes and goes. The NGO presence in a project area may go on for decades and go through several development phases. In the case of some Cooperating Sponsors the emphasis is very definitely on organizational development and institutional strengthening of local counterpart agencies and community-based associations. These are activities of many years' duration.

NGO activities may – and usually do – continue even when the USAID presence (as in the Sahel) ends.

The successes of NGO activities – and there have been a great many – are not usually able to generate replication outside the NGO sector. It has been difficult to convince bilateral and multilateral donors to expand small-scale but promising development successes using non-NGO intermediaries and substantial development resources. It is suggested below that IEHA may offer the opportunity to do so.

The example of the project at Lege Oda Mirga (at Annex 7) shows a mature successful, food security-focused project, demonstrating many aspects, which could – and should – be multiplied in other watershed areas in semi-arid Ethiopia. As noted in the text of the Annex, it represents, in many ways,

²⁴ If for no other reason than the size of its chronically and acutely food insecure population dwarfs those of all other countries in Eastern and Southern Africa.

the archetypical example of a geographic area (in this case an integrated watershed) and an association of farming households (a peasant association –PA) producing a mixture of food and cash crops and demonstrating successes in natural resources management, asset creation, improving agronomic practices and in overall cooperation in planning and managing their “corporate” development. There are, undoubtedly, a large number of similar successes that could have been selected. This one is chosen as one of the best examples of an agriculture-focused integrated development project from among those the author has evaluated in Africa over the past decade.

Lege Oda Mirga is a CRS Title II activity in semi-arid central Ethiopia which appears to have been singularly successful in using both FFW and monetized Title II proceeds to assist an Ethiopian development-focused NGO (Hararghe Catholic Secretariat) to assist, in turn, a watershed area of 6,000 people to generate substantial agriculturally-based economic growth, strengthen local organizational structures and enhance local participation in the activity’s planning, implementation, and monitoring. After several years of improving household incomes and increasing local community sophistication in managing local development, there is need to raise this area and these 1,000 households to a higher level of development endeavors. IEHA should be constituted to take such initial agriculturally-based project successes, apply its own resources and transmute the residents of this (or any similarly successful associations) to a higher stage of agricultural development.

There is no mechanism extant for expanding such relatively small scale successes to a large numbers of similar areas in Ethiopia (or elsewhere in Africa). The fact that there are areas such as Lege Oda Mirga in Ethiopia where very poor, food insecure households have demonstrated willingness and ability to begin the process of moving up the development ladder may offer IEHA opportunities for launching new development approaches and production packages in a “pre-tested” operating environment. It is suggested that IEHA should “piggy-back” at least some of its to-be-developed technological and entrepreneurial packages onto farmers groups where preliminary successes have already been achieved by other development agents – in this case by an NGO and its local counterpart organization.

A similar opportunity exists in the successful Africare integrated agricultural development program near Kabale in Southwestern Uganda. Here, using mostly monetized proceeds, Africare has fashioned a successful development program around a few new high-yielding crops (primarily pole beans and seed potatoes) where participating households are now able to sell substantially more of their agricultural production than before because of Africare’s having provided training in agronomics, the growing of more lucrative products, significantly improved post-harvest storage and better marketing savvy. The Africare project has now expanded to neighboring areas to repeat the experiment with these, or other, cash-earning crops. There is a role for IEHA in taking these first-round, nascent, agro-businesses into a more sustainable, more sophisticated commercial domain, where these rural communities can achieve greater returns and a higher multiplier in terms of secondary spin-offs (e.g., village-based value added industries, improved packaging and reduced losses, more organized transport of production to more distant, possibly more lucrative, markets.)

An ACDI/VOCA Title II activity, also in Uganda, has helped create and expand a small-scale oil processing industry which has in turn created added demand for more and higher quality oilseeds (sunflower seeds and, to a certain extent soy beans). Some communities have discovered that home-made soy-based foods (spicy meat-like patties sold to truckers and milk products for village children)

can generate new household income. There is need for market research and training for these communities (particularly of women) to turn these agricultural products into other novel sources of household cash income. IEHA could help develop local organizations and skills – armed with the results of agro-business oriented research – able to increase incomes of hundreds, and eventually thousands of community-based households who would no longer have to depend on their own food production on small, increasingly infertile landholdings.

The large-scale WFP natural resource rehabilitation project in several of Ethiopia's regions²⁵ is the largest FFW project in the world. It has been underway for more than 20 years and has been sharply criticized for cases of poorly-designed physical assets, poor targeting, and an over-emphasis on stone bunds as a means of employing hundreds of thousands of rural Ethiopian men and women in what are, essentially, make-work projects. As is often the case, however, not all of the criticisms are valid and many refer to historic WFP practices, long-since improved. What distinguishes this particular project from virtually all other FFW activities in highland Ethiopia is not its area-specific failures (and there have, indeed, been some of those), but its successes (many). In the Eastern Amhara highlands near Wollo, FFW projects that employed peasant association members in the 1980s to plant trees, stem gully erosion, enclose hillsides to prevent over-grazing, and to improve their farming techniques (emphasizing improved soil management and reclamation) now demonstrate the long-term utility of all that long-ago FFW effort. There are large tracts of Wollo (an area synonymous with famine in the 1984 drought), which are now totally reforested. There are numerous individual watersheds where water was for decades not available in the dry season, but where water now flows in streams and collects in ponds in all but the most fearsomely dry drought years. What is most impressive is that what these peasant association members learned 10 and 15 years ago, they have continued to practice on their own with no further WFP FFW support. Mindsets about nature of their relationship with their natural surroundings were changed 10 and 15 years earlier. Improved land and soil management practices, perpetuated over a very long intervening period, have enabled these previously heavily eroded hillsides and valleys to gradually increase their ability to retain moisture and, as a result to produce higher yields than was possible 10 and 15 years earlier. These farmers' associations have proven they can manage their resources better. They are perfect candidates for participation in IEHA income-enhancing activities.

In Malawi, ACDI/VOCA has long managed a project (NASFAM) aimed at increasing the returns from agriculture for thousands of Malawi's poorest farmers. While this particular activity is not funded from food aid (it would have been just as successful had it been financed from monetized proceeds) it is nonetheless an excellent model of the process of "scaling up" of a successful small scale activity from a few thousand households to nearly 100,000 over a 7-8 year period. Self-selected farmers have been taught how to organize themselves into crop marketing clubs and associations in order to reduce production and marketing costs and maximize returns on the sale of their products. Starting with smallholder tobacco in the earlier 1990s, the NASFAM project has since moved to the production of several other cash crops – birds-eye chilis, high quality lentils for a niche market in India, groundnuts sold to British confectioners, coffee, cotton, paprika, spices, and others. NASFAM has grown from a few thousand members in the mid-1990s to nearly 100,000 members today and has become a national cooperative union representing the interests of its cash-crop growing members – all of whom would otherwise be subsistence farmers living on the edge of chronic food deprivation. The

²⁵ Participatory Rural Land Rehabilitation – Project # 2488.

NASFAM program should be taken as *the* model for similar efforts elsewhere which could well be supported by Title II food resources. IEHA's objectives would seem to parallel the real-world experience of NASFAM and it, IEHA, could serve as the conduit for helping smallholders in many other African countries to develop their own NASFAM-like marketing structures based on higher-value crops and agricultural products derived from IEHA-supported research and extension, but using the ACDI/VOCA NASFAM model for replication and expansion. Title II NGO's could initiate the initial association development activities, IEHA could provide improved input packages, crop selection and marketing skills with early selection of candidate associations based on having done well in initial Title II activities sponsored by Cooperating Sponsors. This is, in fact, a model that could be used to guide future IEHA collaborative efforts with Title II Cooperating Sponsors and the WFP described in the next section.

5.5 Proposed IEHA-Cooperating Sponsor Interface

It will be important for IEHA to develop relationships with Cooperating Sponsors (and in a similar fashion with the World Food Program) which would be intended to enable all parties (IEHA program management, USAIDs, WFP, local government agencies, agricultural research institutions, Cooperating Sponsors and their counterpart organizations, community-based organizations, producer and small business associations, local community development associations, women's groups, community leaders and farming households) to participate in concerted – and eventually collaborative – efforts to reduce the matrices of causality resulting in household food insecurity.

The paradigm proposed is one that would guide the development of IEHA relationships with on-going Cooperating Sponsor programs presently funded from PL480 Title II resources.²⁶ It would be based on the concept of symbiosis where both (actually *all*) parties would benefit individually from the relationship. IEHA-financed activities – *wherever it made sense to do so* – would be extended to farmer groups and associated micro-enterprises which had already been part of Cooperating Sponsor assisted (or, in a few very important activities,²⁷ WFP-assisted) projects and which had demonstrated potential for progressing into more intensive and highly integrated development programs. The extension efforts, using proposed new practices, agronomic packages more NRM/soil management, and a variety of training and demonstration mechanisms developed or enhanced under IEHA auspices would be concerted with Cooperating Sponsor efforts which: i) train farmer groups and local government units in agricultural production and productivity practices, ii) organize FFW activities to produce the types of improved physical assets (road rehabilitation, small bridges and culverts, storage and farm product auction structures, protected marketplaces and retail facilities, small-scale irrigation, small dams, compost pits, re-vegetated hillsides, area enclosures, latrines) enabling of the specific interventions stemming from the specific IEHA-funded interventions, iii) design and implement local monitoring of progress and impact indicators of a type informing IEHA about what was working, what was not, and why. In effect, the Cooperating Sponsors become the field implementers of at least

²⁶ Abetted, eventually, by Title III counterpart funds of the type described earlier.

²⁷ In particular, selected farmer groups in Ethiopia which have succeeded in using WFP FFW resources to make long-term improvements in their management of the local natural resource base and who have, as a result, engendered an appropriate base for long-term agricultural growth. This is the archetypical example of readiness for IEHA-type farming systems-oriented development activities.

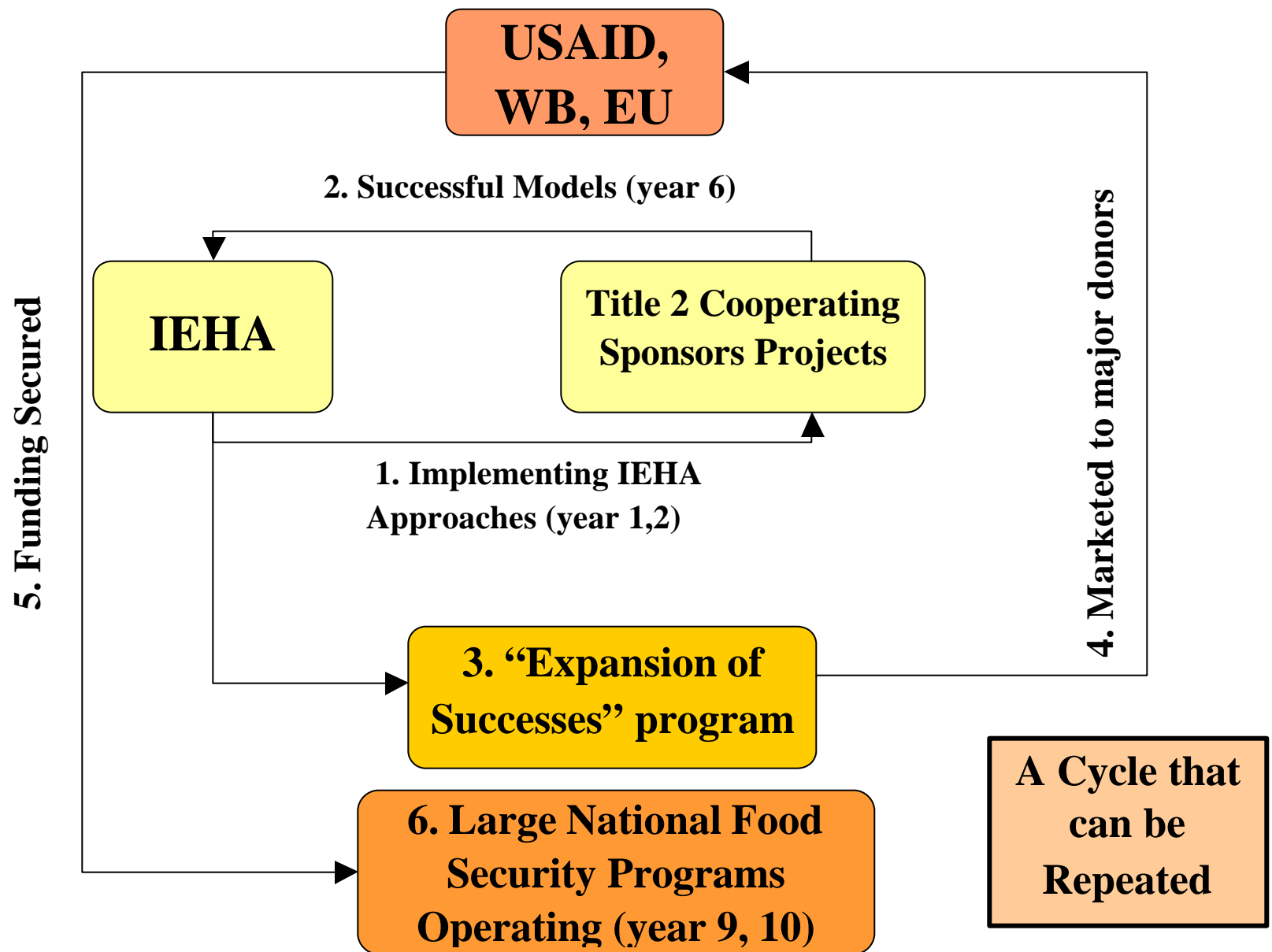
a portion of IEHA's programs, particularly those elements which have been developed, or refined, under IEHA auspices at agricultural research facilities and are ready for extension testing.

On the one hand, IEHA benefits from having "pre-qualified" farmer groups and areas available for implementing its agricultural programs on the ground. Given the wide variety of Title II projects in all types of terrain, among widely differing agro-climatic and agro-economic production systems, there would be an enormous range of options from which to select its sites. It would also get the immeasurably important element of local managers with knowledge of local institutional mindsets and local organizations – i.e., the array of local folkways – serving (in often difficult to discern ways) to impel or impede agricultural progress.

On the other hand, the Cooperating Sponsors (and WFP, local governments, local associations, etc.) would benefit from having resources added into the communities where long-term development "partnerships" had been forged and where significant – but limited – progress toward improved food and nutrition security had occurred. This would make available, in effect, a next stage of development – a reward – to those communities which had already proven their willingness and ability to organize, plan and implement activities aimed at improving their own livelihoods and increasing the availability of and access to food resources.

It is a proposed "third step" that would be the most important of all, however. Assuming that a way is found to develop the symbiosis between IEHA managers and resources on one hand and Title II managers and food resources, there is a next step, or phase, that would be the most significant product of this paradigm. Out of the shared experience with the program just described would come an array of empirically-tested, successful development models. The key task for IEHA at this juncture (say 6-7 years into the process) would be to refine the most successful of the Cooperating Sponsors' projects and market them to the major bilateral and multilateral donors as ground-tested approaches and techniques ready for broader implementation. It would be this phase that would move the entire effort out of the "interesting, nice, but not momentous" realm into one of national-level significance.

Figure 1 on the following page attempts to diagram this process. Step 1 starts with IEHA selecting Cooperating Sponsors' sites for extending its "packages." This is done in the base year of the cycle. Step 2 is the implementation of these activities under the supervision of IEHA but the local management of the CSs. This leads in, say, year 5 or 6 to some proven, well-monitored successes. These are then reviewed, tested, modified, redesigned by IEHA as a step 3. They are "marketed" in step 4 to major donors (even private sector investors) as proven development programs ready for replication and expansion. Funding is secured (step 5) and they are implemented as step 6.



The point in the above diagram is the importance of the Title II Cooperating Sponsors and their numerous project sites as partners in a key stage of the development and expansion of IEHA agricultural production/employment creation concepts and activities. They are well positioned to provide that function in real-world, food insecure, rural settings throughout Eastern and Southern Africa. This process should be given serious consideration.

5.6 Modalities of IEHA-Cooperating Sponsor/WFP partnerships

If U.S. food aid is to be used in ways directly supportive of IEHA's achieving of its agricultural growth and food security objectives, an essential element of a successful partnered endeavor is the care and attention paid to the interfaces between programs/projects/activities financed with IEHA dollar funds and the activities supported by food aid. More to the point is the relationship between the food aid-providing agents of food security-focused development in East and Southern Africa – the Title II Cooperating Sponsors and the World Food Programme – and the agents managing and financed by IEHA. The food aid implementing organizations have been focused on food security objectives for more than a decade, in most cases, and even longer in a few. During the most recent five year DAP period (1997/8-2002/3) the Cooperating Sponsors and, to a very large extent, WFP food-assisted development programs have been focused on improving the food and nutrition security of Africans in many of the same functional areas where IEHA aims to be active: increasing agricultural growth and agriculturist productivity, the development of agricultural cash-earning opportunities for the food insecure poor, a focus on overcoming the impediments to speeded agricultural growth, a particular emphasis on reversing land and soil degradation, the provision of water to increase human, animal and crop health and to reduce severe labor constraints that lack of proximate water occasions, and the improved health and nutrition without which agriculturists and their households cannot participate fully in economic endeavors. Four types of relationships appear to merit consideration:

5.6.1 Partnerships Arrangement 1

DAP and DA-financed activity jointly planned and implemented with NGO partners operating under the responsibility of overall IEHA project management at the country level. This arrangement would, in effect, represent co-habitation between the planners and implementers of IEHA dollar-funded activities and U.S. food aid supported activities and the organizations who sponsor them. As it was being designed, the IEHA program in a participating country would incorporate food aided elements into the design of the project in exactly the same manner as dollar-financed activities would be incorporated. In many cases the food resources would be used to pay the unskilled labor costs associated with the constructions or rehabilitation of physical assets deemed essential to achieving IEHA objectives: local, lightly-engineered roads, or road drainage structures, village-level storage for agricultural produce or animals, re-vegetation of slopes to slow water erosion and re-grow animal forage, irrigation ditches, ponds, local dams, erosion control structures in gullies, the construction or repair of stone, soil or grass bunds, area enclosures to protect trees and other vegetation, or to delineate boundaries, compost pits, tree planting. Food can also be used as payment to farm households in exchange for their employing new (to them) practices intended to generate a benefit stream for themselves or the community, but with a time lag. The point is that these activities – and those financed with the local currency proceeds on monetization – would be jointly designed into a

single planning document and implemented by both IEHA-funded staff and the local NGO and WFP-financed staffs.

Issues:

a) timing – most NGOs and the WFP have, in many African countries just launched new 4- or 5-year development programs. Planning for this partnership arrangement could probably begin in about two years, with actually finalization and approvals to come in three years and the start-up in four.

b) location of activities – many NGOs have been operating in selected locations for a number of years in programs that, because they are focused on building local capacities capable of being sustained over the long term, cannot be easily terminated or moved to new locations. Food security-focused development is a process that requires a long-lasting commitment to seeing the process through to completion. It would be difficult for many U.S. NGOs to be able to add new activities without financial assistance, and additional food resources. Neither would likely be available in the short-term. The option of closing down existing programs to start new ones more closely associated with IEHA activities could not be easily accomplished in most cases.

c) increased complexity – for the NGOs – in reporting progress against strategic objectives and measuring the impact of their food resources in making progress toward food security objectives when there are resources from other development entities in effect co-mingled with food resources.

5.6.2 Partnership arrangement 2

DAP and IEHA activities programmed separately but activities concerted with much on-going dialogue. This is the most likely arrangement in the initial year or two of IEHA operations. The Cooperating Sponsors and WFP already have approved on-going development strategies in their Eastern and Southern African programs. IEHA, if its staff so their homework, can find areas where these on-going projects will already have produced results of use to IEHA almost immediately, (e.g., geographic areas and farmers' associations which have already 'graduated' from Cooperating Sponsor projects and are ready for a second round of development activity; sets of differing experiences with community participatory approaches of use to IEHA managers as they attempt to set up their own relationship with farmers' and local entrepreneurial groups; a large set of evaluated experiences with different agronomic, research, and micro-enterprise approaches with lesson learned). During an initial phase of cooperation and concerted efforts, the development of more collaborative modes could be jointly worked out and developed into a comprehensive design for a phase two arrangement with very close association between IEHA and the Cooperating Sponsors and/or WFP development projects.

Issues:

a) timing – as with the first, the meshing of many differing program timetables will be difficult, though easier than in the first. The second form of partnering requires less "timetable meshing" in a first phase during which the second phase modes of collaboration can be worked out.

b) geographic areas of program interest – again, this is a similar problem to that above. The IEHA program would have to want to be operational in geographic zones where the Cooperating Sponsors

had been working. Alternatively, the subsequent round of DAP proposals would have to contain plans to move CS projects into areas of interest to IEHA.

c) funding – to the extent that IEHA would find it useful to utilize the Cooperating Sponsors' activities as test beds for IEHA agricultural production promoting activities, there would to be some mechanism for IEHA funds to be provided to the Cooperating Sponsors to cover their added costs for providing that service.

5.6.3 Sequential partnering 1

IEHA takes over an area where NGOs have already had successes in organizing farmer associations, improving agronomic practices, building storage, initiating marketing sensibilities among newly-fledged farmers' associations.

In this example there is little or no collaboration. This relationship operates as a “baton pass” from a CS to IEHA. The Cooperating Sponsor has completed its “phase” of providing assistance and has brought the local community to a certain point in its development. IEHA decides to use that area for its own agricultural development program.

5.6.4 Sequential partnering 2

PVOs take on some aspects of further local development after a successful introduction by IEHA of new technologies, marketing structures. Role of PVOs would be to provide on-going, sustaining support while local communities gradually develop ability to sustain IEHA initiatives. The “baton pass” is from IEHA to the Cooperating Sponsors.

Again, the relationship is one where IEHA and the Cooperating Sponsors are not collaborating but are operating in tandem. IEHA produces important new technologies, packages, approaches and the Cooperating Sponsors are enabled to take advantage of them and utilize them as inputs in their own Title II – financed programs.

Both of these latter forms of partnership could in fact operate simultaneously. They would not, however, produce the level of accomplishment that would be possible under the more collaborative approaches of partnerships 1 and 2 above, which, in effect, follow the processes suggested in Figure 1.

6. Conclusions

Looking at possible IEHA-food aid relations from the perspective of what the report has described to this point suggests a few key conclusions for consideration by those now developing the IEHA program.

The issue, as it turns out, is less one of how food aid can be used to increase the pace or extent of achievement of IEHA objectives than it is of how the IEHA managers and IEHA-financed activities can best interface with those organizations charged with the planning and operation of U.S. food aid development programs – the Cooperating Sponsors the World Food Program and their local government and private sector partners. The operational paradigm is not, then, so much improving the utility of food as a development resource, it is finding ways to relate with those responsible for managing the food resource to mutual advantage.

The NGO/WFP community has much of value to offer to those charged with designing a successful model for IEHA implementation:

- Long experience working with individual households and communities in food insecure rural Africa.
- A large number of small – almost pilot – activities, many of which have already generated lessons that should inform IEHA managers. Annexes to this report offer views into several such activities.
- The combination of mid-term and final evaluations, CSR4 reporting, annual performance reports by the NGOs themselves and other evaluative materials offer volume upon volume of important material describing what has been desired, what has been attempted, what has failed and what has worked in using directly distributed and monetized food resources to achieve progress toward food security objectives.
- Increasingly USAID Mission multi-year development strategies are incorporating the efforts of U.S. PVOs as development agents and partners in achieving lasting improvement of food security in Africa.
- PVOs have been working with local government organizations, local and international agricultural research organizations in project formulation and implementation. Here too there is much experience offering lessons.
- Perhaps most important of all, the Title II Cooperating Sponsors have, almost without exception, been working in a wide variety of participatory modes directly with rural households, associations of farmers, rural micro-enterprises, extension services of many different types and a wide range of private firms, local and international foundations, universities and individual researchers and consultants. The purpose of all this has been a wide variety of attempts to place the target beneficiaries in the center of problem identification, decision making, planning, management and monitoring of all activities intended to improve food security, livelihood security, human security and eventual well-being. Many of these efforts have not worked, many are still early in the process of formulation, many are showing partial progress and a few are showing dramatic progress.

The IEHA project would do well to utilize this wave of accumulated experience.

With regard to program food aid, the point has been made earlier that the time is not auspicious to pursue program food aid options. However, Title III as an instrument would, in theory, seem a perfect instrument to generate what would undoubtedly be much needed local currency. A campaign should begin early in IEHA's existence to prepare a strategy for convincing Administration and Congressional decision-makers that such use of U.S. food resources makes considerable sense, given problems in many African countries in generating the foreign exchange needed to import food not locally produced or marketed in sufficient quantities to meet even minimal nutritional requirements.

7. Annexes

7.1 Annex List

7.2 **Table A1:** GAO review of multiple objectives of U.S. food programs

7.3

- **Table A2a:** U.S. Title II Food aid to Eastern and Southern Africa, 2000: Development Assistance.
- **Table A2b:** U.S. Title II Food aid to Eastern and Southern Africa, 2000: Emergency Assistance.
- **Table A2c:** U.S. Section 416b program donations to Eastern and Southern Africa, 2000
- U.S. PL 480 Title I program in Eastern and Southern Africa, 2000
- U.S. Food for Progress program in Eastern and Southern Africa, 2000

7.4 **Chart A3a:** Index of per capita agricultural production in sub-Saharan Africa, 1986-1995

7.5 President's Management Agenda for FY 2002: Reform of Food Aid Programs: USAID and USDA

7.6 Résumé of representative Cooperating Sponsors' Title II DAP programs in Ethiopia.

7.7 Lege Oda Mirga: An extended example of a Title II project that works well

7.8 The World Bank's proposed MAPP program

7.9 Bibliography

7.2 Table A1: GAO review of multiple objectives of U.S. food programs.

Program	P.L. 480 Title I ^a	P.L. 480 Title II ^a	P.L. 480 Title III ^a	Food for Progress	Food for Education & Child Nutrition	Section 416(b)
Humanitarian objectives	Combat world hunger and malnutrition and their causes.	Address famine or other urgent relief requirements, especially in children and mothers.	Combat world hunger and malnutrition and their causes.		Carry out maternal, infant, and child nutrition and preschool and school programs to improve food security and reduce hunger.	See objectives for P.L. 480 Title II, P.L. 480 Title III, and Food for Progress.
Development objectives	Promote broad-based sustainable development, including agricultural development.	Promote economic and community development; promote sound environmental policies.	Use revenue generated by sale of donated commodities for economic development.	Support efforts to expand free enterprise elements in agricultural economies.	Carry out preschool and school programs to improve literacy and primary education, especially for girls.	See objectives for P.L. 480 Title II, P.L. 480 Title III, and Food for Progress.
Private enterprise and democracy	Foster and encourage development of private enterprise and democracy.	Foster and encourage development of private enterprise and democracy.	Foster and encourage development of private enterprise and democracy.	Expand free enterprise elements in the agricultural economy.		See objectives for P.L. 480 Title III and Food for Progress.
Market development objectives	Develop and expand export markets for U.S. agricultural commodities.	Develop and expand export markets for U.S. agricultural commodities.	Develop and expand export markets for U.S. agricultural commodities.	Strengthen private enterprises.		See objectives for P.L. 480 Title II.
International trade objective	Expand international trade.	Expand international trade.	Expand international trade.			See objective for P.L. 480 Title III.
Conflict objective^b	Prevent conflict.	Prevent conflict.	Prevent conflict.			

^aAccording to the Trade Development and Assistance Act of 1954, as amended, the United States is to use its abundant agricultural productivity to promote U.S. foreign policy by enhancing food security in the developing world.

^bThis objective was established in the May 2002 Farm Bill.

Source: GAO analysis of authorizing legislation for the various programs and agency program documentation.

Source: GAO June 2002 [Testimony before the Senate Oversight Committee]

7.3 U.S. Food aid to Eastern and Southern Africa, 2000

7.3.1 Table 2a: U.S. Title II Food aid to Eastern and Southern Africa, 2000: Development Assistance

Country	Cooperating Sponsor	Commodities	Recipients ('000)	Tonnage (MT)	Value (\$'000)
Burundi	WFP	Peas, CSB	20.0	700	345.6
Ethiopia	Africare	Wheat, vegoil	No info	1,773	977.3
	CARE	Wheat, vegoil	6.1	7,862	4,059.3
	CRS	Lentils, rice, wheat, bulgur, CSB, vegoil	93.5	12,230	6,206.1
	EOC	Wheat, vegoil	16.7	8,638	4,142.7
	FHI	Wheat, vegoil	22.3	6,799	3,459.3
	REST	Wheat, vegoil	35.3	15,993	7,390.0
	SCF	Wheat, vegoil, CSB	11.5	2,616	1,632.4
	WVI	Wheat, vegoil	36.1	5,536	2,499.4
	WFP (not a CS)	Wheat	1,427.0	11,460	4,492.3
Kenya	ADRA	Vegoil	No info	1,840	570.3
	CARE	Vegoil	No info	3,240	946.1
	CRS	Vegoil	No info	4,060	1,185.5
	FHI	Vegoil	No info	2,030	692.7
	TechnoServe	Vegoil	No info	3,540	1,125.7
	WVI	Corn, vegoil	No info	1,360	421.8
	WFP	Peas, corn, CSB	525.0	7,210	2,172.3
Madagascar	ADRA	Vegoil	No info	2,960	963.1
	CARE	Vegoil	No info	3,290	1,075.5
	CRS	S.F. Bulgur, CSB, vegoil	97.1	8,990	4,160.2
	WFP	CSB	63.0	1,100	456.5
Malawi	CRS	Wheat, corn, CSB	5.0	12,780	4,002.5
	WFP	No data	no data		
Mozambique	ADRA	Wheat	No data	6,450	1,527.6
	Africare	Wheat	No data	4,360	1,162.7
	CARE	Wheat	No data	11,360	2,583.9
	FHI	Wheat	No data	7,490	1,617.0
	SCF	Wheat	No data	6,230	1,581.3
	WVI	Wheat	No data	44,570	10,760.4
Rwanda	ACDI/VOCA	Vegoil	No data	1,600	1,924.0
	CRS	Peas, cornmeal, CSB, vegoil	7.0	1,300	1,316.3
	WVI	Beans, corn vegoil	3.5	2,100	1,578.3
	WFP	Peas	640.0	320	147.1
Tanzania	WFP	Peas, CSB, vegoil	630.0	1,460	649.8
Uganda	ACDI/VOCA	Wheat, vegoil	No data	8,500	5,748.9
	Africare	Wheat	No data	2,670	1,225.2
	TechnoServe	Wheat	No data	5,500	2,225.2
	WVI	Wheat	No data	3,300	1,544.4
Zambia	WFP	Peas, vegoil	51.0	950	811.2

7.3.2 Table A2b: U.S. Title II Food aid to Eastern and Southern Africa, 2000: Emergency Assistance

Country	Cooperating Sponsor	Commodities	Recipients ('000)	Tonnage (MT)	Value (\$'000)
Burundi	WFP/PRRO	Corn, peas, CSB	No data	7,000	3,134.9
Djibouti	WFP/IEFR	CSB, rice, vegoil	100	2,765	1,427.0
Eritrea	WFP/IEFR	CSB, lentils, vegoil, wheat	No data	4,980	2,560.8
Ethiopia	CRS	CSB, S.F. cornmeal, wheat, vegoil	2,259.5	161,705	66,724.2
	REST	Wheat, lentils, peas, CSB, vegoil	739.4	34,460	12,729.8
	WFP/IEFR	Wheat, CSB, sorghum	2,335.6	40,980	20,432.9
	WFP/PRRO	Peas, wheat, vegoil	406.7	11,055	6,209.4
Kenya	WFP/IEFR	Beans, peas, lentils, corn, CSB, vegoil	3,300.0	23,250	14,588.1
	WFP/PRRO	Lentils, corn wheat flour, CSB	534.0	15,900	8,215.4
Madagascar	WFP/IEFR	Beans, rice	129.0	1,160	793.3
Mozambique	WFP/IEFR	Beans, peas, rice, vegoil	650.0	8,030	5,726.4
Rwanda	WFP/PRRO	Peas, corn, CSB	1,510.0	8,700	6,002.1
Somalia	CARE	Corn, sorghum, wheat	1,166.0	18,000	11,478.6
Sudan	CRS	Sorghum, Lentils, CSB, vegoil	191.9	3,500	5,577
	DIA	Lentils, sorghum, vegoil	35.0	3,620	1,865.9
	LWR	Lentils, sorghum, vegoil	135.4	3,010	4,334.2
	NPA	Beans, lentils, sorghum vegoil	97.7	8,510	6,666.8
	WFP/IEFR	Bulgur, lentils, CSB, vegoil	2,450.0	8,140	7,765.2
	WFP/PRRO	Peas, CSB, vegoil	10.0	2,400	1,640.1
	WVI	Beans, lentils, sorghum, vegoil	188.5	5,910	8,612.1
Tanzania	WFP/PRRO	CSB	10.0	9,000	4,018.0
Uganda	WFP/IEFR	Peas, corn, CSB, vegoil	160.0	3,355	2,275.3
	WFP/PRRO	Peas, corn, vegoil	10.0	11,860	6,633.7

7.3.3 Table A2c: U.S. Section 416b program donations to Eastern and Southern Africa, 2000

Country	Metric tons donated (000MT)		Commodity value (\$000)	
	Regular	WFP	Regular	WFP
Djibouti		5.0		1,040
Eritrea	29.5	78.5	3,540	10,470
Ethiopia	90.0	390.0	10,800	51,160
Kenya		93.0		11,300
Rwanda		12.5		2,625
Sudan		61.4		6,622
Tanzania		12.0		2,700

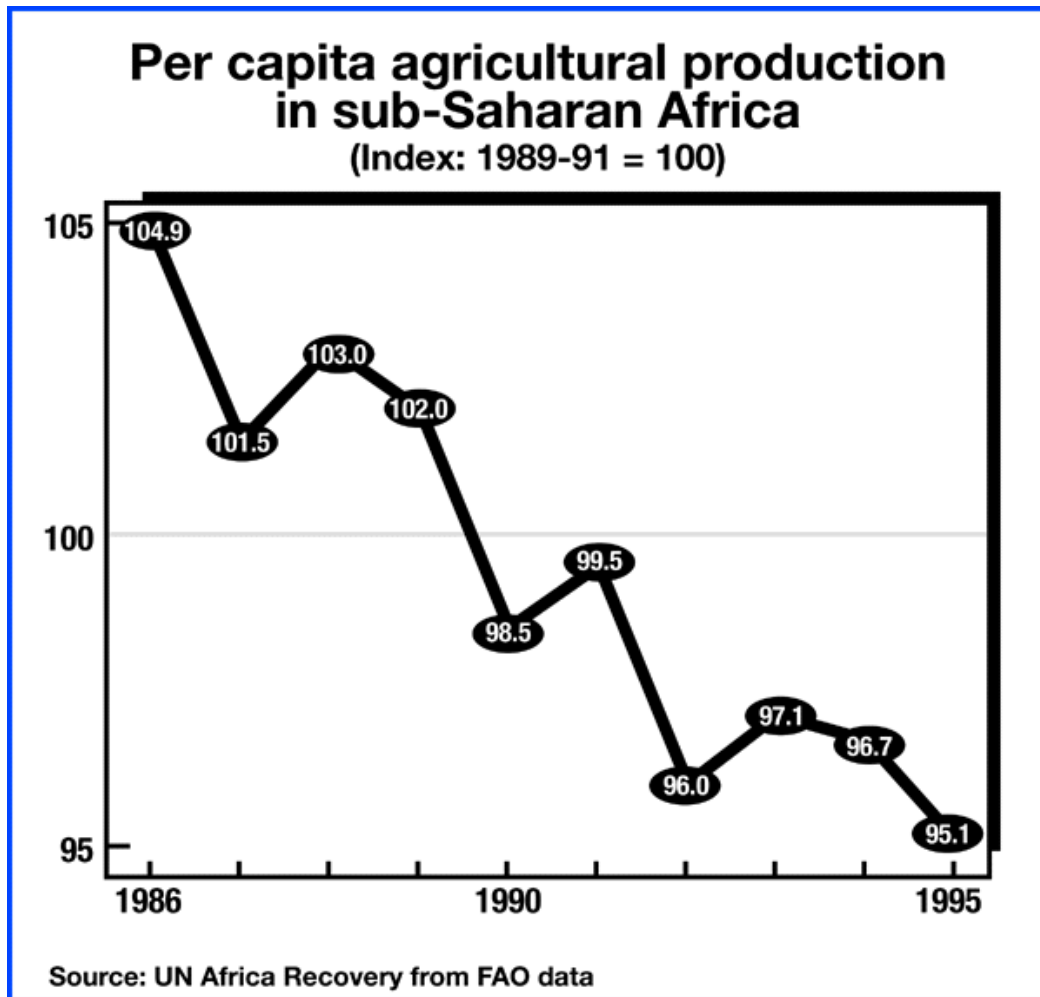
7.3.4 U.S. PL 480 Title I program in Eastern and Southern Africa, 2000

-none -

7.3.5 U.S. Food for Progress program in Eastern and Southern Africa, 2000

-none -

7.4 Chart A3a: Index of per capita agricultural production in sub-Saharan Africa, 1986-1995



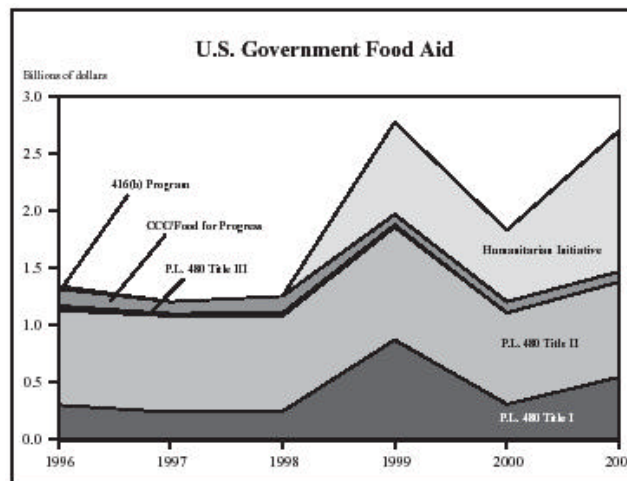
7.5 Reform of Food Aid Programs Agency for International Development, Department of State, Department of Agriculture

(Task 13 from the OMB's: "The President's Management Agenda: FY 2002")

The President strongly supports aid that feeds hungry people overseas and helps U.S. farm income. However, we must also avoid adverse commercial or trade impacts. Food aid saves many lives, and recently averted a famine in the Horn of Africa. But its humanitarian purpose is being eroded by other uses having little to do with food. To better meet the President's objectives, and strengthen U.S. food aid, the Administration is committed to reforming food aid programs to ensure that overseas food donation programs target food aid to the genuinely hungry and avoid waste and adverse impacts.

7.5.1 The Problem

- Six different programs run by two government agencies provide international food aid. They sometimes duplicate each other. For instance, Indonesia received food aid under four of these programs in a single year. The Department of Agriculture (USDA) and the Agency for International Development both have created similar bureaucracies to administer food aid.



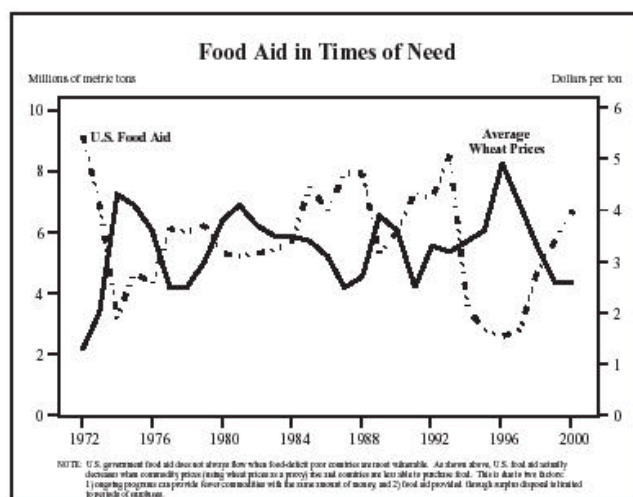
- Food aid programs are afflicted by waste and questionable spending. For instance, proposed food aid expenditures have included projects such as building a noodle factory and providing trucks that were promptly confiscated by the recipient country's government. There are other cases of U.S. commodities being discarded because the recipient country rejected U.S. food standards and implementing partners did not handle the commodities properly. In addition, food donations to Angola and Central American countries were discarded because of damage that occurred during shipping. It is quite common for donated food to be sold for cash in disaster areas while more efficient cash relief was also available.

- Some of this aid is inefficient. For instance, the General Accounting Office (GAO) noted that, of the nearly \$250 million the United States spent to send wheat to Russia in 1999, the intended recipients, Russian pensioners, only realized \$64 million in benefits because of high administrative and transportation costs.
- Some of the aid may be counterproductive, a condition agencies strive to avoid. For instance, sending food to a country that does not need it for serious humanitarian purposes may undermine local farmers and efforts to privatize the agricultural sector in transition countries. Like-wise, large food aid shipments through state-owned distribution enterprises in a number of former Soviet republics in the early 1990s may have inhibited efforts in those countries to privatize these enterprises.
- Aid may not always help U.S. farmers. First, farm income is much less affected by food aid than in the past. For instance, the previous Administration used 416(b) and the Commodity Credit Corporation Charter Act authorities to donate food when U.S. market prices were very low—precisely the time when USDA already was paying farms the difference between the market price and a higher price floor. In addition, food aid has become less important as an export mechanism as commercial exports have grown. Finally, evidence suggests food aid may displace commercial sales or substitute for USDA programs intended to boost farm income.



- The sale of U.S. donations in overseas markets to generate cash, a practice known as monetization, can impede U.S. commercial exports, lower market prices, induce black market activity, and thwart market development for U.S. farm products. Theft is also an issue. For example, employees of an organization delivering food aid were prosecuted for stealing commodities in Haiti. Though praised for its flexibility, monetization is economically inefficient because the sale price generally does not cover the cost of providing the commodities, especially when the additional shipping cost of the U.S. cargo preference requirement are added.
- Some food aid programs are charged by members of the World Trade Organization as conflicting with U.S. goals of liberalized trade to the extent that aid displaces commercial sales. U.S. food aid has tended to rise in volume when prices are low and drop when prices are high—precisely the time when food-deficit countries are least able to buy food. However,

the United States has committed in the Food Aid Convention to supply a minimum of 2.5 million tons annually, regardless of U.S. prices or supplies, and the United States has resisted other nations' support for lower aid levels when prices are high. The Ad Hoc Humanitarian Food Aid Initiative, authorized to operate since 1998 when prices were low, unfortunately enabled some trade partners to misleadingly criticize U.S. food aid policy goals.



7.5.2 The Initiative

- The Administration is developing proposals that will be consistent with the following principles:
 - direct feeding of the genuinely hungry populations will be the primary goal;
 - foreign policy and economic development programs will be subject to analysis of benefits, costs, and performance to determine their priorities;
 - bureaucratic duplication and inefficiency in Washington, D.C. and overseas will be minimized; and
 - program authorities and guidelines will be followed more consistently than in the past.
- The Administration will complete the Ad Hoc Humanitarian Food Aid Initiative and review funding for other aid programs—such as cash grants and direct feeding programs—that reduce waste and inefficiency in meeting domestic and foreign aid goals. Funding for such programs could be increased.
- Resources for other programs that promote foreign purchase of domestic agricultural products may be restructured and/or increased.
- The President's 2003 Budget request will incorporate proposals reflecting the principles outlined above and the results of an interagency review of all U.S. food aid activities, authorities, and programs.

7.5.3 The Expected Results

- More reliable levels of food aid, allowing recipient countries, cooperating sponsors, and U.S. administrators to plan for their needs. The proportion of the total food aid program that relies on unpredictable surplus commodity availability will not exceed 10 percent.
- More food security for hungry people, through better-focused programs, clear and consistent policy objectives, and more efficient use of budget resources.
- Improved safeguards to avoid any potential displacement of United States or third country commercial sales, leading to more effective impact of food aid on U.S. farm income.
- Greater efficiency and transparency in the management and implementation of U.S. food aid programs.

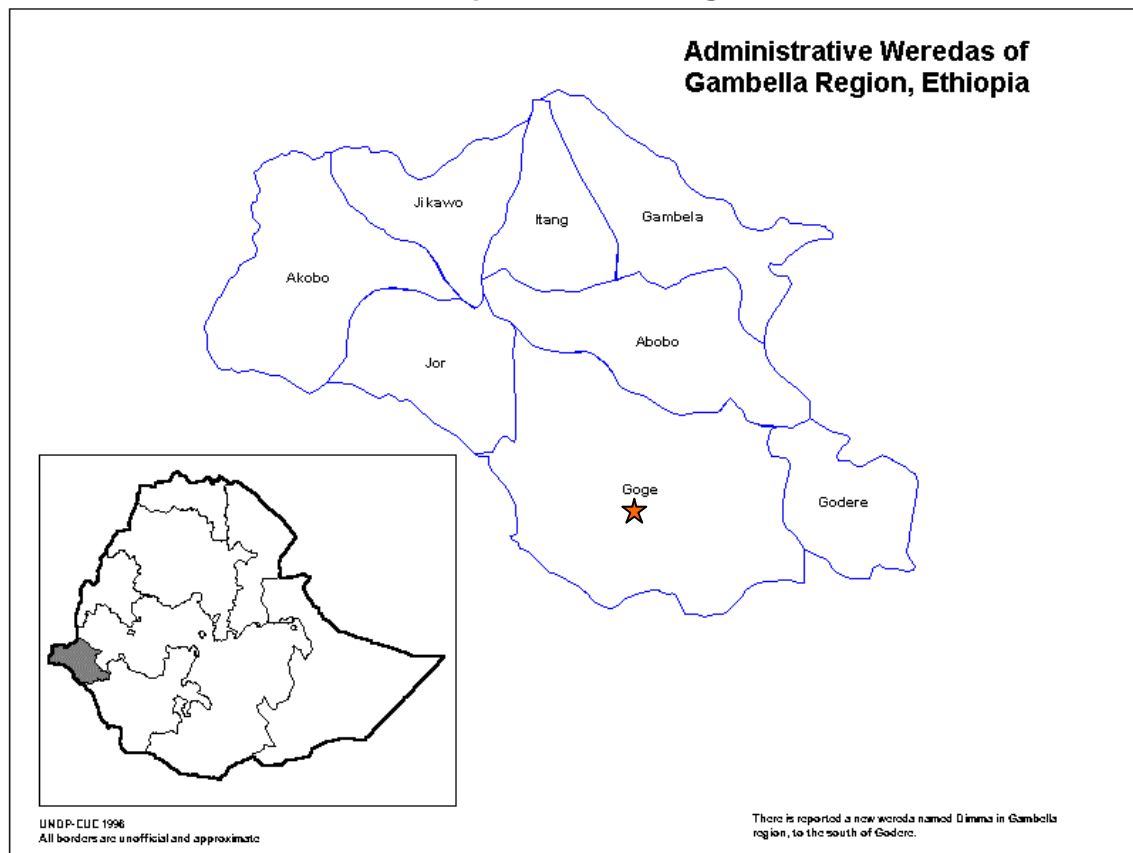
7.6 Annex 5: Résumé of Cooperating Sponsors programs in Ethiopia²⁸

These brief notes on the eight Cooperating Sponsors which have been operating Title II DAP programs in Ethiopia are intended to provide examples of the range of CS Title II activities aimed at the same agriculture-based food security objectives as does IEHA. Suggestions regarding their possible applicability within the IEHA framework are contained in the main text of this report.

7.6.1 Africare:

Africare initiated its DAP-supported operation in Gambella Region in 1998.

Map 1 Gambella Region



Length of time operating in this project area – 3 years.

Overall goals: Sustainable improvement of household food security

Geographic Coverage: Gambella Region

²⁸ Note the Cooperating Sponsor excerpts in this Annex are from Riley, et al. 2002. “The Impact of Title II Food Aid on Food Security in Ethiopia” Checchi and Company, International. June 2002.

Major Activities: Increase agricultural production, post-harvest storage, diversification of agricultural production, counterpart capacity-building

Total beneficiaries claimed in 2001: 19,500 (regular); 0 (emergency)

Partners: Bureau of Agriculture, Regional DPPB

2001 Metric Tons: 3,768

2001 Dollar Value: \$1,441,000

2001 202(e) expenditure: \$156,000

Africare has been operating its “Ethiopia Food Security Initiative” (EFSI) in Gog Woreda in Gambella region since October, 1998.²⁹ It is a 100 percent monetization-financed program.

There have been two primary food security objectives in Africare’s program: i) increasing agricultural production among targeted households, and ii) reducing post-harvest grain losses for approximately 20,000 households in 37 of the woreda’s more accessible villages. In 2001, the project, with approval from USAID/Ethiopia, added a third objective: “to increase nutrition and income diversification” – responding to IRs 2 and 3 and adding elements of the program focused on improving access and utilization of food as components of a more fully rounded food security strategy for the region. Within this new focus, bee-keeping, expanded fishing and diversifying production to include fruits and vegetables are being added to help engender both nutritional and income earning outcomes.

Africare’s approach has necessarily centered on farmer and extension agent training, given the low level of technology employed in agriculture in the area. Both woreda-level agriculture Development Agents (DAs) and members of farming households have received training in improved cultivation practices. Training opportunities offered to rural farming and fishing households have included: ox plowing, post harvest grain handling and storage, improved fishing methods, training of blacksmiths, and women farmers’ training in the agronomics of vegetable, root/tuber and oil seed production. Training was also provided in bee-keeping techniques, improved fishing techniques for leaders of fishing groups, in the supervising of self-help road construction and maintenance, and in the formation of PA development committees. In its training and demonstration elements, the project has enjoyed good working relationships with the Gambella Regional Bureau of Agriculture and with local Development Agents. Eleven DAs received training under the Africare project in 2000-2001 and eight of these are still working on project activities – each working with a separate Peasant Association (PA).

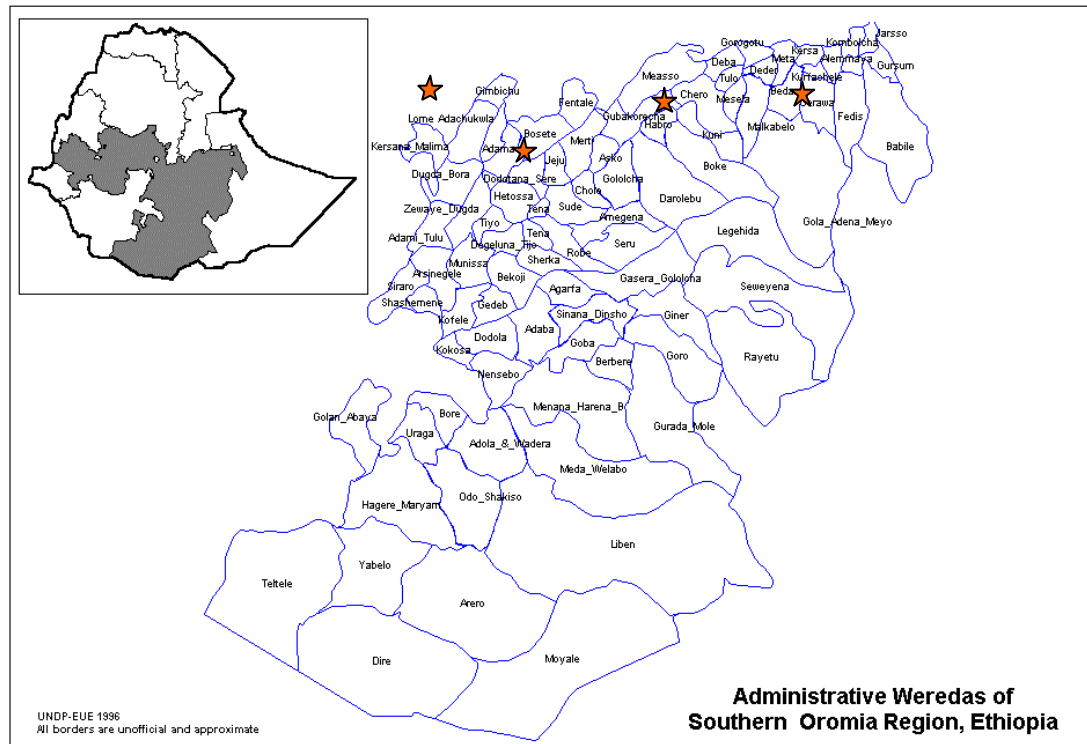
As indicated in the most recent Results Report (Africare, December 2001), the project has more than met its targets related to its objective no. 1 (increasing food production) as measured by: i) increases in per hectare production of grain (2001 per ha yields and production as against the 1997 baseline),³⁰ ii) the numbers of households using improved seed varieties, and iii) the numbers of households continuing to use at least 4 of the 7 recommended production practices. The project’s M&E system has not tracked the household income effects of these activities, although the Results Report suggests the “perception” of both rising income and improving nutrition among participating household members.

²⁹ A second woreda, Jor, was dropped because of inaccessibility.

³⁰ As discussed in Ethiopia Title II report, the evaluation team was quite skeptical of the utility of measuring crop output gains as an on-going indicator of individual project success, or the lack of it.

7.6.2 CARE

CARE operates three separate projects in East & West Hararghe and a fourth in carefully selected poor *kebeles* (neighborhoods) of Addis Ababa.



Length of time operating in Ethiopia: 17 years

Overall goals: Improve household food security and reduce malnutrition

Geographic Coverage: Oromiya and Addis Ababa Regions

Major Activities: Increase agricultural production, improve health status. Increase household income, natural resource base maintained, emergency response maintained, urban infrastructure in poor Addis Ababa neighborhoods improved.

Total beneficiaries claimed in 2001: 40,000 (regular); 505,000 (emergency)

Partners: Education, Water, Health and Agriculture Bureaus, Regional DPPB

2001 Metric Tons: 47,023

2001 Dollar Value: \$17,980,000

202(e) expended: \$366,527

CARE's DAP-supported rural activities focus primarily on increasing crop production (IR1), increasing household income (IR2), improve health status (IR3), improve natural resources management (IR4), and the maintenance of an emergency response capacity (IR5).

In the Garamulata Rehabilitation and Development (GRAD) project in East Hararghe, CARE operates four project components targeted on approximately 5,000 highly food insecure households in 42 peasant association in the lowlands of Bedenu, Grawa and Kurfachelle woredas. The component

intended to increase agricultural production (IR1) has provided improved seed to most of these households, promoted improved agronomic practices for about half of the participating households and constructed irrigation. The introduction of vegetable growing has been very successful in this area – less so in the other CARE sites. Efforts to improve health status (IR2) have been focused on provision of potable water supplies, both to reduce the incidence of diarrheal diseases and reduce women's time spent hauling water. 20,000 people and 10,000 head of livestock are presently benefiting from this effort. Community-based committees to manage the water supply schemes are operational. Efforts aimed at increasing household income (IR3) have involved food-for-work local road improvement and maintenance. There are some NRM efforts (IR4) involving soil conservation and environmental conservation, the production of tree seedlings and the provision of fuel-efficient stoves. Counterpart staff training was curtailed because of monetization-related budget shortfalls. Emergency response capability has been well maintained (IR5) through food distribution to more than 50,000 beneficiaries.

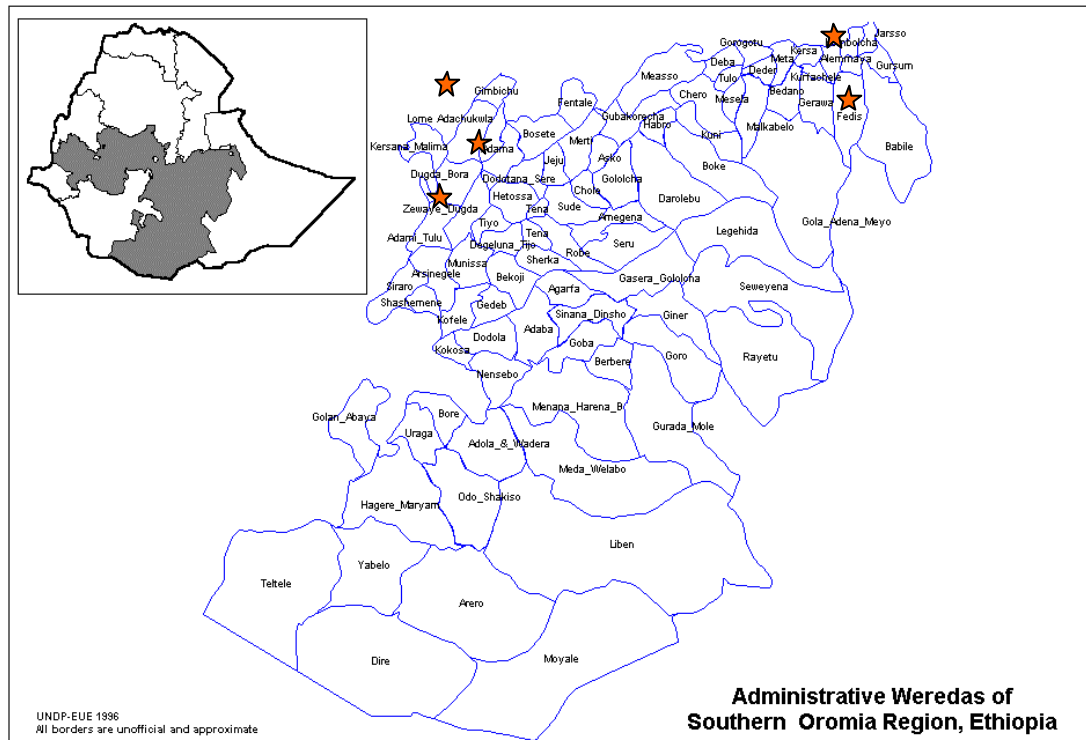
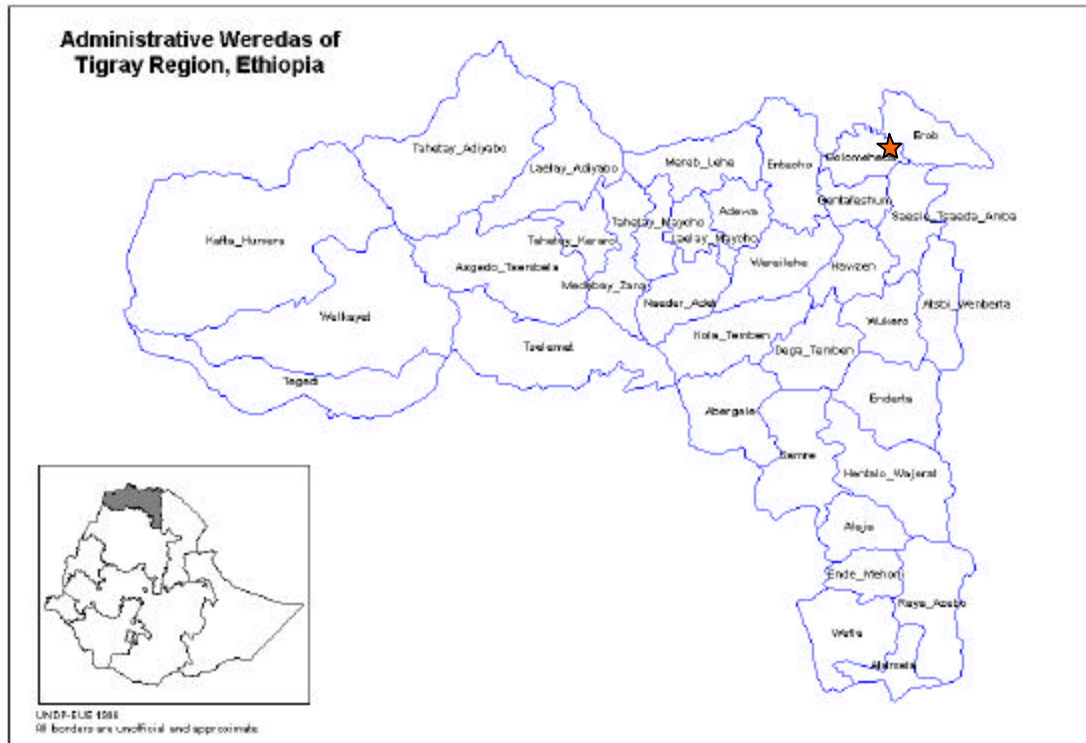
In the West Hararghe Development Project (WHDP), there has been a somewhat greater focus on water development activities (which have been the most appreciated by project beneficiaries) in irrigation and potable water supplies. Increased access to clean water has reduced the incidence of diarrheal diseases and improved health status. The final DAP evaluation document suggested that more attention could be paid to improving performance in water sanitation and hygiene where progress is more dependent on enticing behavior changes that can be maintained over the long run. As in the GRAD activity, progress against indicators and proxy indicators in agricultural production and NRM efforts was generally very good and in the majority of cases exceeded targets. However, and this will be a common theme throughout the review of all the Cooperating Sponsors' activities, there are few good indications that the means to maintain progress (i.e., sustainability), is likely or that adequate attention is being given to insuring that the prospects for sustainability improve over the longer term.

The Shoa Health, Extension, Water and Agriculture (SHEWA) project includes about 5,000 households. As with the previous CARE projects, it is a multi-faceted effort focused on increasing household agricultural production, income, improved health and sanitation, improved natural resource conservation efforts and maintaining an effective emergency response capability in the area. The most recent result report shows good progress against targets in most indicators. In particular, the fact that 40 percent of households had access to clean water at the end of the project against a baseline figure of 9 percent is a particularly noteworthy accomplishment.

In the three rural projects, overall, maize and sorghum yields and per household production have increased substantially from the baseline figures, but the contribution of the project to these increases was described by the final evaluation as "limited" and the ability of the communities to maintain these gains over the longer term unlikely. Farmers selected to attend training in improved agronomic practices had, by and large, failed to implement what they had learned. Composting, as an alternative to chemical fertilizer has been enthusiastically adopted by a sub-set of farmers, but they are unable to generate enough composting material to cover more than about 1/8th of an hectare. Additional work is need to convince a majority of farmers to expand the use of compost and to expand its use to the majority of their arable lands.

7.6.3 CRS

CRS operates programs through Ethiopian counterparts in several regions of Ethiopia.



Length of time operating in Ethiopia: 43 years

Overall goals: Improve household livelihood and food security

Geographic Coverage: Oromiya, Addis Ababa, Somali, Harari, Tigray, Dire Dawa, SNNPR and Amhara Regions

Major Activities: Agriculture and natural resource management, health, water, sanitation, safety net, women's savings and credit, emergency preparedness.

Total beneficiaries reported in 2001: 75,000 households³¹ (regular); 845,000 individuals (emergency)

Partners: Regional governments, Catholic Church based organizations, NGOs

2001 Metric Tons: 84,500

2001 Dollar Value: \$32,306,000

2001 202(e) expended: \$194,249

CRS/ET uses Title II commodities in four ways: i) generation of local currency through monetization; ii) food for work in NRM and agricultural activities, iii) FACS/CBHC (as an incentive and supplementation/rehabilitation “therapy”); and iv) as a safety net for the truly indigent. Of these, the safety net activities have in recent years accounted for just under half of total food use (provided through charitable organizations such as the Missionaries of Charity, (MOC)), monetization for about one third and FFW and FACS/CBHC about 10 percent each.

CRS operates presently through the following counterpart organizations: Adigrat Catholic Secretariat (ADCS) in Eastern Tigray Region, the Hararghe Catholic Secretariat (HCS) in Eastern Oromiya and Dire Dawa regions, Cheshire Foundation in Addis Ababa, Meki Catholic Secretariat and Wonji Catholic Secretariat both in Eastern Oromiya and, for safety net programs through the Missionaries of Charity (MOC) operating in many regions in Ethiopia. Because it is CRS operating philosophy to always work through locally-based intermediaries, the successful implementation of programs requires the additional task of strengthening and reinforcing these counterpart organizations.

In Tigray, Dire Dawa and Eastern Hararghe cereal crop production during the period increased for all crops grown – teff, wheat, sorghum, and barley. There were positive changes over the 1996-2001 period in three of the four proxy indicators used: cropland bunding accomplished, manure application of fields, use of small-scale irrigation. There were also changes in the percentage of farmers using improved seeds and fertilizer (from non-DAP sources) which also influenced the higher yields and production levels achieved.

Natural resource management successes related directly to agriculture were not achieved at the level anticipated because of: i) the impact of the Ethio-Eritrean war on ADCS activities; ii) erratic rainfall – particularly in the HCS area; iii) competition for FFW manpower with the Ethiopian government's drought-related Employment Generation Scheme (EGS) during the 1999-2001 period; and monetization-related budget cuts limiting the amount of required training that could be provided.

The results of this small-scale women's credit operation provide important lessons regarding the utility of such micro-credit operations in the generating of significant streams of women-controlled household income. The food security impact of the WSC activity on those 1,848 women able to

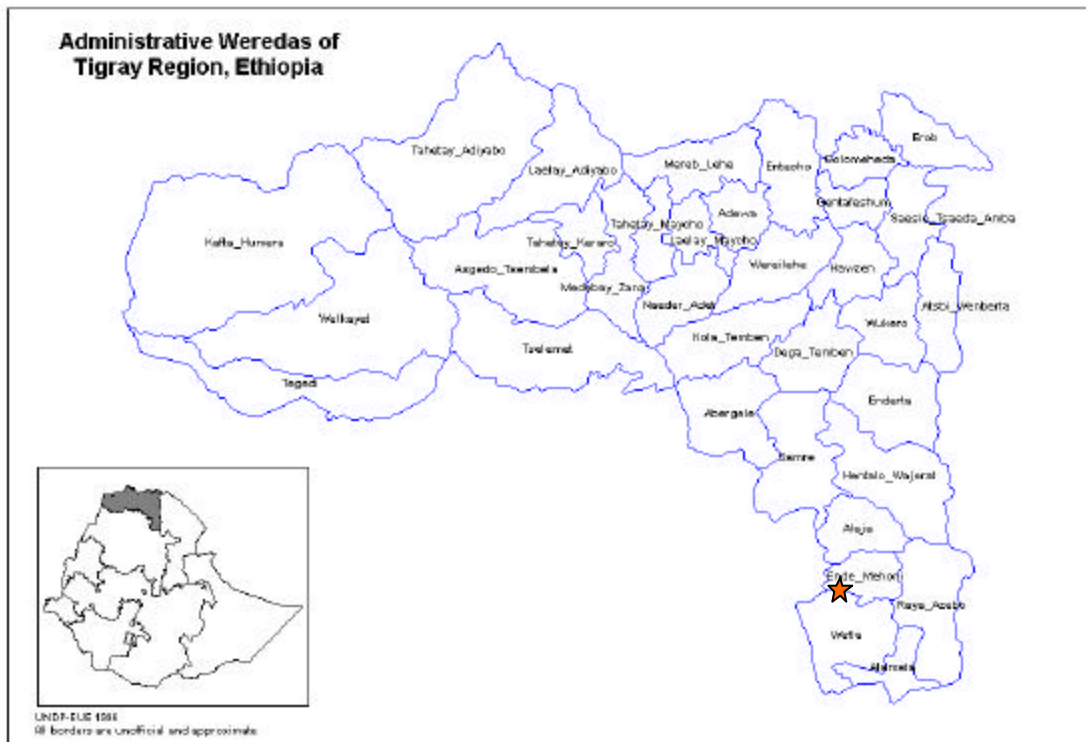
³¹ Per CRS Performance Monitoring Plan Spreadsheet for 2001 results.

continue to access small lines of credit to underwrite income-earning initiatives was positive and may prove to be enduring. Household savings achieved by these women were more than double the end-of-project target. Sixty-four percent of the women sampled reported that they actively participate in the household decision-making processes on how to use loan profits vs. a baseline figure of 44 percent. There are a large number of anecdotal accounts from both the mid-term and final evaluations regarding women who have converted small initial loans into substantial businesses and considerably increased streams of household income.

Many kilometers of bunds have been constructed to reduce water run-off and help prevent further soil losses in 23 targeted watershed in East Hararghe, Dire Dawa and East Tigray. Area closures have been practiced for several years to help regenerate growth in vegetative cover and the results in many areas has exceeded expectations. The integrated approach used in the Lege Oda Mirga watershed in Dire Dawa Region by HCS has been highly praised in the MTE and the Final DAP evaluation as a potential model for projects in similar semi-arid mixed cropping situations. The popular participation by the participating Peasant Association leadership and members, the integrated focus on increased production, increased household income, improve health and nutrition, NRM and continuing disaster preparedness can be found in this on-going activity. This may be a fully appropriate model for replication elsewhere in food insecure areas of Ethiopia. It should continue to be carefully analyzed to determine the on-going reality and likely sustainability of its successes. Information about this integrated project should be shared with and utilized by others.

7.6.4 EOC

The EOC operates Title II projects in Tigray, Amhara, and Oromiya Regions.



ZONE ID WEREDA
 Agew 1101 Ankasha
 Agew 1102 Banja
 Agew 1103 Dangela
 Agew 1104 Fegetalekoma
 Agew 1105 Gwangwa
 E Gojam 1201 Awabel
 E Gojam 1202 Baso Liben
 E Gojam 1203 Bbugne
 E Gojam 1204 Debay_Telaten
 E Gojam 1206 Dejen
 E Gojam 1207 Enarje_Enawega
 E Gojam 1208 Enemay
 E Gojam 1209 Enbese_Sar_Meder
 E Gojam 1210 Gonchalysoenese
 E Gojam 1211 Guzamen
 E Gojam 1212 Hulete_Anese
 E Gojam 1213 Machakil
 E Gojam 1214 Shebel_Berenta
 N Gonder 1300 Beyeda
 N Gonder 1301 Adi_Arkay
 N Gonder 1302 Alefa
 N Gonder 1303 Belesa
 N Gonder 1304 Chelga
 N Gonder 1305 Dabat
 N Gonder 1306 Debark
 N Gonder 1307 Denbya
 N Gonder 1309 Gonder_Zurya
 N Gonder 1310 Janamora
 N Gonder 1311 Lay_Armacheho
 N Gonder 1312 Metema
 N Gonder 1313 Kwara
 N Gonder 1314 Sanja
 N Gonder 1315 Wegera
 N Shewa 1401 Angolela_Terena Asagrt
 N Shewa 1402 Ankober
 N Shewa 1403 Antsokia_Geniza
 N Shewa 1404 Berhat
 N Shewa 1406 Sayadeber_Wayou & Ansaro
 N Shewa 1407 Afrata_Gidern
 N Shewa 1408 Gera_Meder_Gebrel
 N Shewa 1409 Geshe_Rabel
 N Shewa 1410 Hageremanyam_Kesem_
 N Shewa 1411 Deberberhan_Zurya & keye
 N Shewa 1412 Kewet
 N Shewa 1413 Laybet_Tachbet
 N Shewa 1414 Lalp_Meder_Mama Meder
 N Shewa 1415 Mafudemzezo_Mojan & Wadr
 N Shewa 1416 Weremo_Wajitu & Mida_
 N Shewa 1417 Sherkor_Menjar
 N Shewa 1418 Moret_Jiru
 N Wollo 1501 Bugena
 N Wollo 1502 Deway_Dalanta
 N Wollo 1503 Geden
 N Wollo 1504 Gubalatto
 N Wollo 1505 Haberu



N Wollo 1506 Kobo	S Gonder 1709 Semada	S Wollo 1813 Tehuledere	W Gojam 2001 Achefer
N Wollo 1507 Meket	S Gonder 1710 Tach_Gayent	S Wollo 1814 Tenta	W Gojam 2002 Bahar_Dar
N Wollo 1508 Wadela	S Wollo 1801 Ambasle	S Wollo 1815 Wegde	W Gojam 2003 Bure_Wembema
Oromia 1601 Artumafaris_Jile	S Wollo 1802 Deberesina	S Wollo 1816 Weredabu	W Gojam 2004 Degadmot
Oromia 1602 Ball	S Wollo 1804 Desezurya	S Wollo 1817 Werselu	W Gojam 2005 Dembecha
Oromia 1603 Chafegola_Daw	S Wollo 1806 Kalu	S Wollo 1895 Jama	W Gojam 2006 Jabtahaen
S Gonder 1702 Dera	S Wollo 1807 Kelela	Wag Himira 1901 Dehana	W Gojam 2007 Merawi
S Gonder 1703 Ebenat	S Wollo 1809 Kutaber	Wag Himira 1902 Sekota	W Gojam 2008 Kwart
S Gonder 1704 Este	S Wollo 1810 Lugambo	Wag Himira 1903 Zekwla	W Gojam 2009 Sekela
S Gonder 1705 Farfa	S Wollo 1811 Mekdela		W Gojam 2010 Adet
S Gonder 1706 Fogera	S Wollo 1812 Sayent		
S Gonder 1707 Kemkem			
S Gonder 1708 Laye_Gayente			

Administrative Weredas of Northwest Oromia Region, Ethiopia



Length of time operating in Ethiopia: 29 years.

Overall goals: Sustainable improvement of household food security

Geographic Coverage: Amhara, SNNPR and Tigray Regions

Major Activities: Agricultural development, water and sanitation, social services development, emergency response.

Total beneficiaries claimed in 2001: 127,000 (regular); Part of CRS coverage (emergency)

Partners: Regional governments, Orthodox Church-based organizations

2001 Metric Tons: 10,397

2001 Dollar Value: \$3,975,000

2001 202(e) expenditures: \$186,000

Progress against IR1 (agricultural production) shows that barley, wheat and sorghum production had increased and that of teff and maize were slightly less than the baseline values. Farmer interviewees reported that they had benefited from soil and water conservations activities, especially farmland bunds. The use of chemical fertilizer had decreased largely because of the increasingly high cost of fertilizer, the use of improved seeds had increased slightly. Farmers complained that input supply was untimely and inadequate. The household survey detected that household income (IR2) had risen, as indicated by increased ownership of household items and slightly increased consumption of luxury foods (meat, milk, butter). Average size of livestock holding, while higher than in the previous year was still below baseline levels because of drought losses in recent years.

Significant progress had been made against IR4 targets (natural resources maintained). The total amount of land enclosed to protect it from livestock (2,260 ha) was on target, and much of this space had been planted with indigenous tress. Progress made against IR 5 was limited to the on-going collection of meteorological data.

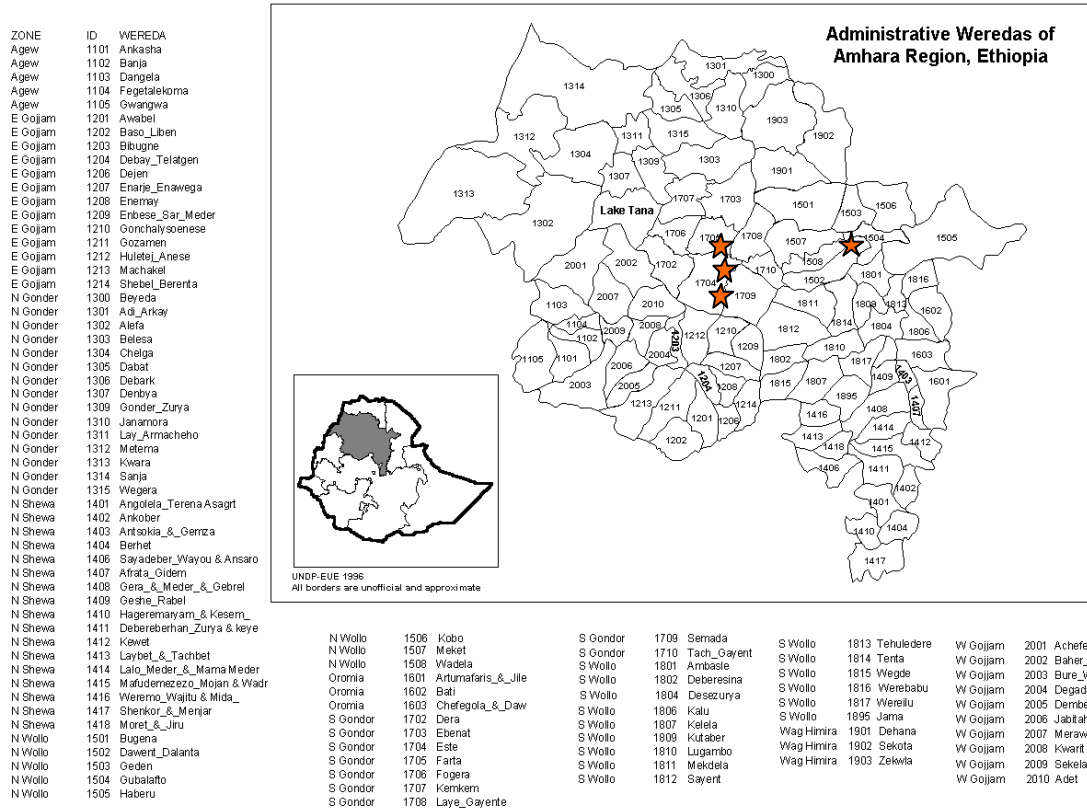
With regard to the overall impact on the Special Objective of reducing household food insecurity, the MTE found little evidence of impact:

“A positive trend towards achieving the special objective is not evident measured by the three indicators specified to monitor the attainment of the SO. It would be unrealistic to expect a discernable trend towards achievement of the special objective without implementing the core project activities such as input credit and women’s credit. The delay in the implementation of almost all project activities is another reason for not expecting a positive trend as yet.”

The MTE further recommended that crops such as enset in Sodo and Irish potatoes elsewhere might profitably be substituted for cereal crops in order to increase yields and incomes and noted that “household production in which cereals dominate cannot [be considered] feasible anymore.” Fertilizer and related credit should be restricted to those households using irrigation or to carefully selected households in “moisture reliable zones.” Credit for inputs to poor households in rainfed areas is simply not feasible and should be stopped. On the other hand, were improved service cooperatives to continue to emerge, they might prove feasible as channels for credit to individual households. The MTE noted that the very popular demonstration plots used to train farmers in forage and vegetable crops could also be used to provide training in nutrition. Finally, the evaluation turned again to NRM and noted that: “Proper land management, including systematic crop rotation, fallowing and soil and water conservation, should be promoted to maintain and restore fertility.”

7.6.5 FHI

FHI operates Title II activities in four woredas in Amhara region which were selected because they are among the most food insecure in Ethiopia.



Length of time operating in Ethiopia: 17

Overall goals: Sustainable Improvements in household food security

Geographic Coverage: Amhara Region

Major Activities: Agriculture, health, conservation, reforestation, water, sanitation, community leaders training.

Total beneficiaries claimed in 2001: 268,000 (regular); 204,000 (emergency)

Partners: Line departments of agriculture, health, water and energy, and ORDA

2001 Metric Tons: 18,138

2001 Dollar Value: \$6,935,000

2001 202(e) expenditures: \$184,272

Sustainability was a central theme in all four woredas and was to be measured in terms of *technical*, *social*, and *economic* sustainability. The First insured that the fodder crops in South Gondar, and the crop diversification strategy were technically sound and feasible. *Social* sustainability was to be achieved by the communities themselves determining the equitable distribution of the benefits from

the communal fodder plots and the strong emphasis on partnering of all stakeholders. *Economic sustainability* was to be promoted by increasing the diversification of crops produced – food and cash crops alike.

Among the more notable achievements reported in the most recent (December 2001) Results Report were:

- Five small-scale irrigation schemes providing water for 129 hectares were completed in South Gondar Zone.
- Yields in the project's five most important crops (teff, barley, wheat, sorghum, potatoes) were above target values in 2001 in all three project areas. Much of this increase, however, was, to a large degree, the result of what DPPC has reported as the best rainfall pattern in this area in ten years.

These increases were achieved in South Gondar, even though fertilizer use had significantly declined. According to the FHI DAP evaluation this was the result of farmers having bought fertilizer at relatively high prices in 1999 and 2000 only to encounter quite poor, variable rains, low production and slack markets for their sales.

FHI's FY 2001 Results Report also noted that:

“...the application of fertilizer especially on some types of crops such as barley is not viable in all project areas...financial gain from the use of improved wheat seed and the application of chemical fertilizer shows lower gains [in some areas]. Teff seems relatively better off with fertilizer but is still not economically viable compared to results without the use of fertilizer.”

Only 4.6 percent of 800 sampled households were users of both improved seeds and fertilizer. Between 36 percent and 58 percent of that sample indicated they were using crop rotation, intercropping, composting, and soil conservation in the four woreda survey areas – results that surpassed 2001 target values in all four cases.

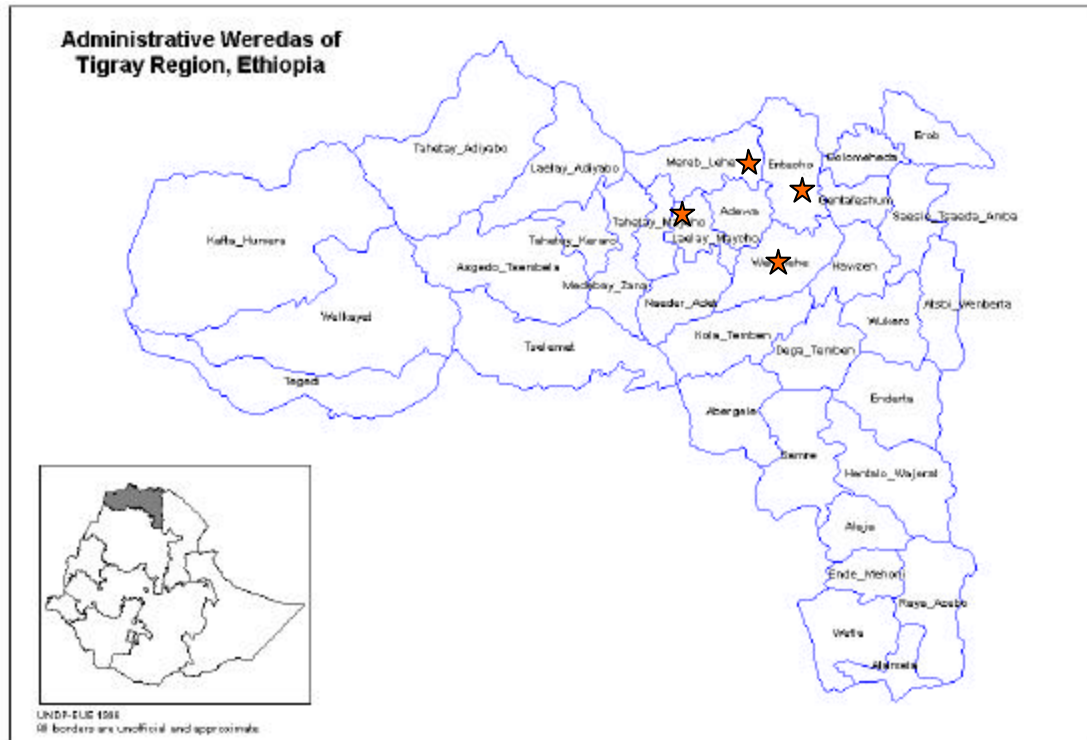
Looking at IR2-related performance (increased household income), FHI's proxy indicators were: i) increases in livestock ownership, ii) increased number of household assets owned, and iii) increased number of households consuming “luxury foods.” The livestock ownership was found problematic because of the 1999-2000 drought and its impact on household livestock ownership. It further noted that the ways families used livestock – as part of drought coping strategies – made it a difficult proxy indicator as a signal of accumulating assets. FHI also noted that expenditures for kerosene were being tracked in nominal values and were not adjusted for inflation. Other indirect indicators included households with access to irrigation, households growing vegetables and changes in number of households with mature stands of eucalyptus all showed modest gains – nearly all of which were accounted for by the completing of the five small irrigation activities in So. Gondar referred to earlier.

FHI staff have been particularly diligent in the consideration of sustainability of their projects. In the last year of the activity all partners – particularly regional and woreda-level government partners were kept apprised of the need to be developing plans for continuing their support after the phase out of

FHI. Community members also participated in these discussions and helped develop the phase out plan. Over the years of FHI's partnership with government the relationship continued to strengthen. It will be of considerable benefit to USAID for there to be a post-project evaluation after 2 or 3 years to see how much of what was initiated under FHI auspices has continued after their departure.

7.6.6 REST

REST operates throughout Tigray Region. DAP assistance was employed in the most food insecure woredas of this very food insecure region.



Length of time operating in Ethiopia: 23 years

Overall goals: Sustainable improve in household food security

Geographic Coverage: Central Zone, Tigray Region.

Major Activities: Sustainable utilization of natural resources, agricultural production, potable water, increased access to information.

Total beneficiaries claimed in 2001: 127,000 (regular); 416,000 (emergency)

Partners: Regional Government, Bureaus of Water and Agriculture.

2001 Metric Tons: 53,514

2001 Dollar Value: \$19,967,000

2001 202(e) expenditures: \$156,000

The Relief Society of Tigray (REST) implements a broad development strategy among the poorest, most marginalized communities in the most drought-prone, environmentally degraded areas of central Tigray Region. Its mandate is to be people-oriented and people-driven. It employs a fully participatory approach to poverty reduction and promotion of household food security focused on

natural resource rehabilitation, crop and animal diversification, health and nutrition improvement, and the expansion of women's opportunities and socio-economic status.

The "Food Economy Model" first developed by Save the Children/UK is used as the principle targeting tool for its Title II-assisted projects. Given the enormous chronic food deficits of the region, "food is like gold," reported one senior REST official. In the past the European Commission had been a major source of food aid, but the EC had stopped providing food and were, instead, providing some cash for Cash-for-Work (CFW) schemes. USAID is now the major source of food aid, either through REST or through the World Food Program. REST receives approximately 10,000 MT of Title II food annually.

The Final REST DAP Evaluation of February 2002 contains a number of important findings, conclusions, and recommendations regarding REST's development approach, program, and results. They included:

- Impressive gains made under the project have come about largely as a result of profound levels of community participation.
- REST "...is a uniquely indigenous development institution in Tigray, to the extent that the communities consider REST accountable to the people of Tigray."
- Adoption rates by farmers on their own private lands of activities promoted by REST on communal lands are impressive.
- "The implementation of REST activities requiring food resources may not be sustainable over time as currently designed. Food insecure communities continue to depend on FFW and external support."
- Although women participate in REST activities at the grass roots level and REST has made the effort to target women, women are absent from DAP management, mid-management, and decision-making positions in REST.
- Monitoring and evaluation systems are currently weak and require further development. Coordination and integration of DAP activities within REST, where departments are not kept abreast of each other's activities, requires improvement as well.

Cereal Production per hectare: overall average per hectare cereal production was 624kg/ha vs. the 1997 baseline figure of 475kg/ha. The per household figure in 2001 was 302 kg as against the baseline value of 207 kg.

The evaluation concluded that:

Agriculture extension and training: i) adopting rates are extremely high, ii) a number of production manuals in Tigrinya have been produced and distributed, iii) women farmers are "enthusiastically adopting vegetable production, iv) livestock development has focused on increasing carry capacity of pastures.

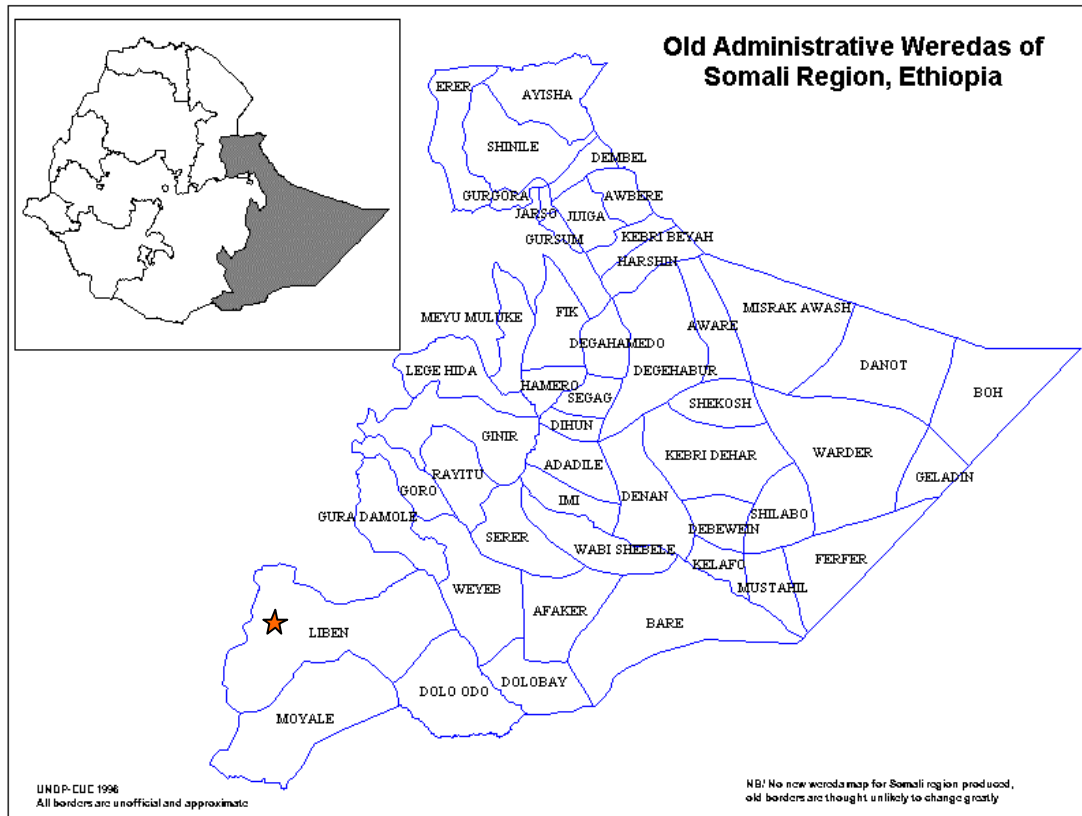
Small-scale irrigation and micro-dams: six river diversions and one micro-dam completed under the DAP enabling 2,000-3,000 farming households to cultivate 60-70 ha per site with a resultant significant increase in incomes. The area irrigated under the DAP projects is 225 ha, just over 100 percent of the 2001 target value. Farmers' associations (*tabbias*) have formed in these sites. There may be signs of increased malaria and possible bilharzias.

The Final Evaluation reported that the NRM activities “...are among the best uses of FFW resources ever observed by the evaluation team.” The soil and water activities – involving improved physical structures, biological measures, and effective soil management have “profoundly” improved the environment of large areas surrounding targeted *tabbias* (PAs). NRM activities have resulted in: i) increased grasslands for livestock and other uses; ii) reduced soil erosion; iii) improved moisture retention; iv) the emergence of new perennial springs; v) allowing farming communities to reclaim gullies and rehabilitate farms and range lands; and vi) improved communal land management. The Results Report notes that as of 2001, 21,000 ha of communal land have been protected from human and animal use, with 2,100 guards employed to ensure the areas remain closed. More than 4,500 ha of these enclosed areas had been placed under direct community supervision, without further REST involvement, for the implementation of their own development plans.

In addition, reforestation, seedling production and planting, the promotion and enforcing of area enclosures have resulted in numerous instances of successful regeneration of natural vegetation in three of the four DAP-assisted woredas in Tigray. Looking at the use of Title II food, the Final Evaluation found the FFW had “..been extremely important in protecting and rebuilding household livelihoods.” They saw no improprieties in the food distribution system and reported that FFW participants were pleased with the program.

7.6.7 SCF-US

SCF-US is the only Cooperating Sponsor operating entirely in pastoralist woredas.



Length of time operating in Ethiopia: 17 years

Overall goals: Sustainable improvement in availability of, access to, and utilization of food for pastoralist households.

Geographic Coverage: Oromiya and Somali Regions

Major Activities: Supplementary feeding and nutrition education, health care, water supply, natural resource management, community savings, livestock improvement, training of government and voluntary groups.

Total beneficiaries claimed in 2001: 73,000 (regular); 273,000 (emergency)

Partners: DPPB and Bureau of Agriculture

2001 Metric Tons: 30,513

2001 Dollar Value: \$11,667,000

2001 202(e) expenditures: \$548,000

The SCF-US project operates in two woredas in two adjacent districts in two adjacent regions – Liben woreda in the Borena zone of Oromiya Region and Filtu woreda in the Liben zone of Somali Region. This is a region of Ethiopia in which “Recurrent drought coupled with human and livestock population levels raised beyond the carrying capacity of local resources has made these pastoralist communities vulnerable to disasters,” The people of these contiguous woredas are subject to high levels of both chronic and transitory food insecurity.

These are relatively new activities, initiated in 1999. SCF-US operate the program directly in Liben and a local NGO – Pastoralist Concern Association of Ethiopia (PCAE) – operates the activities in Filtu. The overall goal is “sustainable improvement in household health and food security for approximately 17,500 households in Liben and 7,500 households in Filtu.

Because these are not crop-growing areas and livelihood is dependent upon livestock (and the livestock dependent on water and forage), the activity focuses on three SCF strategic objectives: i) improved household health and nutrition, ii) increased household income and livestock related food production, and iii) strengthening community and institutional capacities for emergency response and sustainable development.

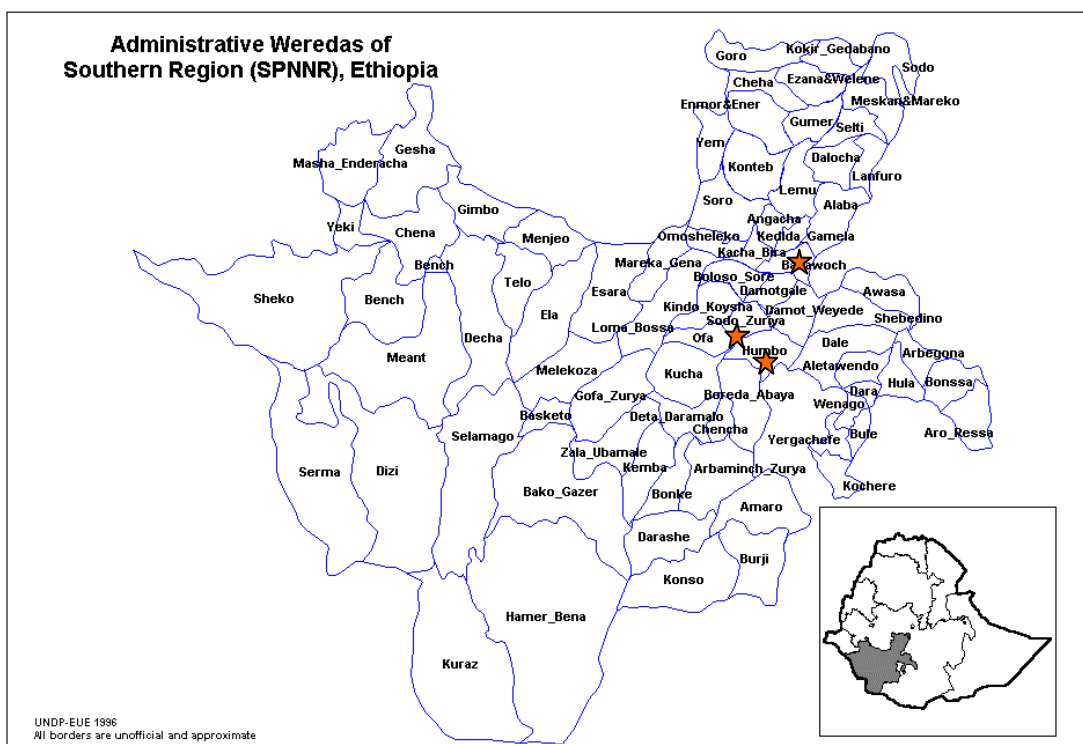
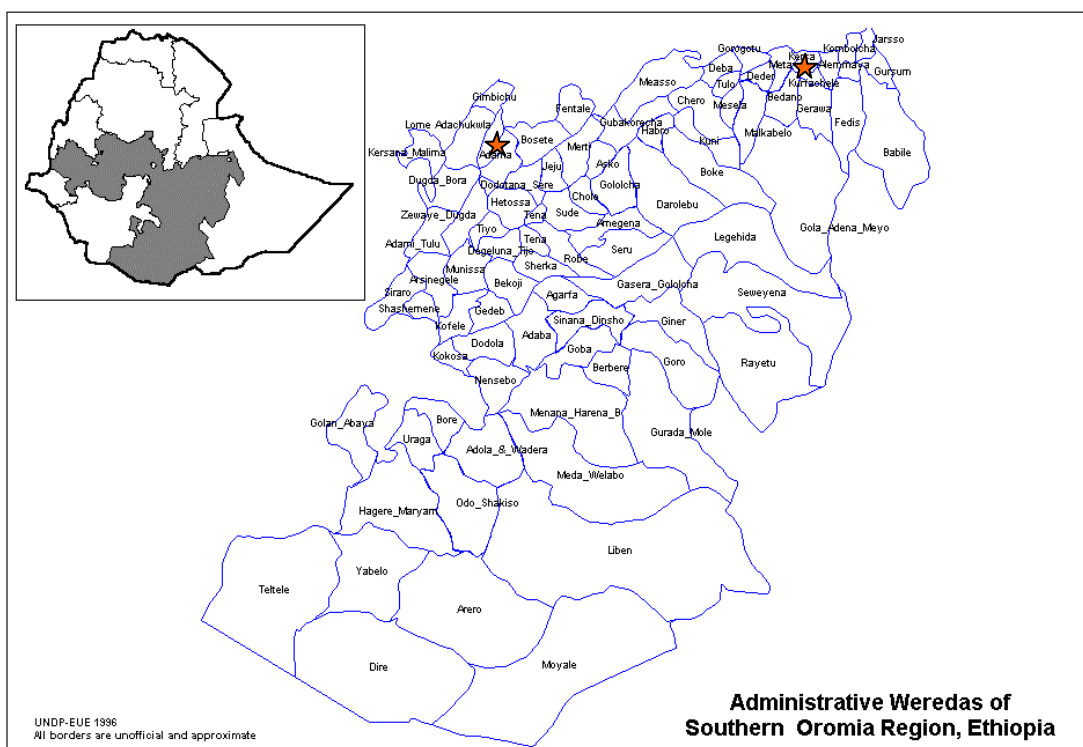
With regard to water development, the strategy of the interventions has been to introduce improvements, including the development of physical assets, in ways that are easily integrated in the prevailing patterns of behavior. Thus, with the exception of boreholes and gravity-flow pipelines, the water program utilized the same technologies traditional used by the pastoralists. Project staff have worked closely with 38 pastoralist associations in developing, rehabilitating and maintaining of project-assisted water facilities – boreholes, pumps, ponds, troughs, etc. As one project staff member commented: “At Save the Children, we always plan with the community. Without their participation, nothing will last.”

SO2 involves efforts to improve household income and livestock related food production. Here the emphasis is on animal health and ways to improve the quality of the animals. A major FFW activity in this regard has been the de-silting of ponds so that, when the rains come, the ponds will be able to fill to maximum capacity and retain water for longer periods. A problem that was encountered – a problem of considerable significance – is the loss of labor for de-silting when other NGOs and

government agencies distribute free food in the areas in direct competition with SCF's FFW program. This underlines the need for the national and regional Governments, to enunciate and enforce policies with regard to the relief-to-development and Employment Generation Scheme interface, wherein free food distribution is limited to those unable to work – orphaned children, the elderly, and the physically incapacitated. Whether for this reason, or for social or cultural reasons, SCF staff found that, at times, the local pastoralist communities were unwilling to work or lacked the capacity to contribute toward the project.

7.6.8 WVI/WVE





Length of time operating in Ethiopia: 26 years

Overall goals: Enhance food security.

Geographic Coverage: Tigray, SNNPR, and Oromiya Regions

Major Activities: Introduction of new cash and food crops, demonstration of appropriate technology, potable water, small scale irrigation, improved access to markets .

Total beneficiaries claimed in 2001: 196,000 (regular); 212,000 (emergency).

Partners: Agriculture, Water, Health and farmers associations.

2001 Metric Tons: 26,093

2001 Dollar Value: \$9,977,000

2001 202(e) expenditure: \$19,800

In 47 kebele associations (KAs) in Adama and Bosset woredas, DAP funds (amounting to about 22 percent of total expenditures) have supported farmer training in crop production and reforestation, feeder road construction, increased water supplies, the construction of bunds and terraces, and tree planting. The mid-term evaluation (MTE) had this comment: “Although community benefits are beginning to appear, questions remain about the sustainability of some of these labor-intensive activities, if FFW support should disappear.”

The Damota ADP covers activities in two woredas – Sodo Zuria and Humbo – in SNNPR which are both densely populated (280-400 persons per km²) and semi-arid (average rainfall of 300mm). The ADP is implementing 12 projects, only one of which is DAP-funded. During much of the DAP period relief feeding was required in the area and drought adversely affected crop production. In addition, early in the DAP period, the regional government halted all FFW activities on the grounds that these projects were creating a dependency attitude among the workers. Gradually, during the period, this prohibition was relaxed and, by 2000, was no longer a problem. Check dams, tree planting, potable water activities generated small but promising results, but drought held back any progress in agricultural production and income generation.

The Kilde Awlaelo ADP operates in 37 KAs in two woredas in East Tigray Zone. As with Damota, this is an area of extremely low rainfall (250mm/year) and is relatively disaster-prone and heavily food insecure. DAP funds constitute 21 percent of WVE expenditures in this area. The activity has focused on training of farmers in increasing production through water conservation and small-scale irrigation – where practicable. Income generation activities were limited to apiculture which, of course requires flowering plants – a problem in severely dry areas. Health improvements introduced included borehole drilling and pumps plus a micronutrient intervention supported by CIDA. NRM activities in the area have been of excellent quality. DAP funds helped in the construction of water catchment, water protection, the construction of several Gabion check dams on large gullies and rehabilitation of eroded areas with various grasses.

The Shone ADP is located in Hadia Zone of SNNPR. Population is dense at 400 people/km², but rainfall is relatively good at 1,100mm/year, but highly variable. High population growth rates (3.1 percent) have led to serious land pressures, extensive deforestation and serious soil erosion. “In the presence of low-productivity soils and growing population pressures, cropping systems have moved increasingly toward enset cultivation in efforts to maximize calorie production from a limited arable area.” There have been some successes in crop production increases, attributable to the availability of improved seeds and fertilizer from the Sasakawa Global 2000 project. The DAP has been instrumental in introducing multi-use tree seedlings, coffee seedlings and horticulture seedlings as a means of diversifying crop production, a small number of capped wells for safe water and a considerable amount of effort in NRM.

The Tiya ADP works with 51 KAs, mostly in Kersa and Kondaltiti woredas in Oromiya. Although the rainfall is good at 900-1,00 mm/year, years of poor cultivation practices and continuous cropping have left the soils in very poor shape. DAP funds account for about 12 percent of total expenditures and are focused on food security related activities. Wheat and teff yields have been increasing due to improved seed varieties and good weather. DAP funds have been used to train farmers in improved agronomic and livestock practices. The development of commercial woodlots is becoming a good income generation activity for many households. The ADP is the source of most of the seedlings used. Pond and safe water development seems to be a factor contributing to reduced diarrheal diseases among children. “Farmers have been enthusiastic participants in DAP-supported tree-planting efforts.” About 1.5 million seedlings were planted per years with reasonably good survival rates.

A second theme is the problem of insuring sustainability. The MTE had this say about the problem:

“...the sustainability of DAP-supported activities varies considerably among interventions. The tree nursery and tree planting activities are the most sustainable. In all of the target ADPs, these activities are highly valued by farmers, in large part because they see the income potential of trees as sources of fuel wood, charcoal, or construction material. Already, a growing number of farmers are developing house lot tree nurseries, either to provide seedlings for their own use or, increasingly, as a source of income through sale. On the other hand, sustainability of some of the physical assets created through food for work, e.g., check dams, stone bunds, terraces, some feeder roads, is more questionable. For these assets benefits are less clearly identified, dispersed widely among the population and not generally appropriable by the individuals who construct them...In these circumstances, questions remain as to how well the assets will be maintained. In a few instances, the offer of food for work programs appears to have been the principal motivating factor behind community involvement, rather than expected future benefits from the activity. In circumstances where the underlying activities are clearly not sustainable, FFW would appear to be a questionable use of DAP resources.

7.7 Lege Oda Mirga: Extended example of an integrated watershed project that has worked well

This excerpt from the mid-term evaluation of CRS Title II activities in Ethiopia provides an intriguing example of a livelihood enhancing, food security improving agriculture growth related development program in the Dire Dawa region. These findings were further validated in the final evaluation and in a special investigative study subsequently undertaken by CRS.

The issue for IEHA is not so much in learning how a combination of FFW, MCH/CS food distribution and local currency from monetized Title II commodities resulted in a fine example of grass-roots food security-focused development (important as that might be). The issue is rather in attempting to grapple with the theoretical issue of how IEHA resources could be put to use to capitalize on, and extend, these types of early successes in this particular (or any other) NGO-assisted watershed-focused activity in Ethiopia, or in any other country, for that matter.

Second, if further analysis determines that the approaches used with success in this activity ought to be replicated and expanded elsewhere in Ethiopia, or in sub-Saharan Africa, where will the resources come from to do it?

NOTE: The following is excerpted from the CRS Mid-Term Evaluation (June, 1999)

The Lege Oda Mirga watershed area: an integrated approach that is working well

On May 24, 1999, the Evaluation Team accompanied by Catholic Relief Services (CRS) and Hararghe Catholic Secretariat (HCS) staff members and officers of several Dire Dawa government bureaus visited the Lege Oda Mirga watershed area about 30 km northeast of the town of Dire Dawa. This comprises a single large undulating, semi-arid valley, approximately 15-20 km² in size and inhabited by about 1,000 households (approximately 6,000 persons), all members of a single Peasant Association. These are mixed farmers for the most part with small plots of sorghum, and some maize, modest herds of cattle, sheep, goats and a few camels which browse on the steeper hillsides which surround the valley catchment. Many farmers also grow small plots of *chat*, a mild narcotic which is chewed (much like coca in Bolivia) to provide a low-level euphoria and sold in small amounts to generate income.

The Hararge Catholic Secretariat operates a DAP-supported, integrated development program in Lege Oda Mirga involving food for work to rehabilitate eroded, over-browsed hillsides, construction and maintenance of dirt road access to the areas of the catchment needing improvement, terracing, tree-planting, check-dam construction, dirt and rock bunding of fields, bore hole and hand-dug well construction, spring development, tree nursery development and management, small-scale irrigation, agricultural credit, FACS health and nutrition programs (including child-spacing services), women's credit programs and a demonstration roof water catchment site to show the PA members the benefits of this technique to provide potable water for the family.

As best the team could determine, all the activities involving the construction and management of these assets had been well-planned, were well-done and were being well-maintained and managed. In driving along the dry river bed where the wells and boreholes were spaced, the Team found all were being supervised by guards hired by village Water Development Committees who were collecting user fees (which, were being

deposited in bank accounts to be used for water point maintenance and repair). At an impressive spring development site higher in the hills, the Team observed a site where pipes had been connected to deliver water from a permanent seep 800 meters up the nearby escarpment to an accessible storage tank where it was used to flow water to an animal trough, and for collection by local PA member households for domestic use. The overflow was being used by nearby farmers for the irrigation of a hillside of vegetables and by the PA for the tree and shrub nursery lower on the hillside. In speaking with a group of women using the spring to collect water, the Team discovered these women could readily identify the benefit to their children's health from this source of clean water ('no more diarrhea'), were proud to note their children were "in the green" on the FACS growth monitoring charts, and even volunteered they had learned the precepts of family planning under the project's health component.

After being driven up the steep, rocky FFW road to observe the erosion control efforts, the Team was able to observe the distinctly greener, more densely vegetated slopes that had been terraced, replanted with local varieties of drought-tolerant trees and forage plants when compared to those across the valley which had not yet been protected. The latter were the color of sand and rock and were speckled with the black and white dots of foraging animals. The protection consisted of marked barriers to the protected areas across which no domestic animals were allowed by the local PA and Village Development Committees to browse. Anyone whose animals were caught inside the protected area was fined a minimum of 30 Birr. We saw not a single animal within the protected areas which had been under protection for two years. Eventually, when the shrubbery has been sufficiently built-up, the area would be opened to managed browsing while other areas would be closed for a similar process of terracing, tree/shrub planting and regeneration. One of the Team members discovered evidence that the vegetative growth on these protected hillsides was already producing another unintended beneficial result – an apparent acceleration in the recharging of adjacent aquifers. A shallow well in the dry stream bed in the valley floor below the hillsides where the terracing had been completed had been dry for several years. Suddenly, without any other apparent reason, it had started to produce water again – seemingly a product of the slowed percolation of rainwater occurring as a result of the terracing and the vegetative re-growth on the hillsides above.

As admirable as all the above physical accomplishments were, the more important elements are found in the process by which the DAP project was designed and was being implemented and managed. From the start, HCS officials involved all the relevant Dire Dawa government bureaus and the members of the Peasant Association and the various village committees (development, credit, water and health). Each proposed component was thoroughly discussed and agreed to before the program started. The PA took on the responsibility of identifying those of its members who were the poorest, had the fewest assets, the smallest plots, the least incomes. These were the households that contributed the labor and were paid with FFW commodities. All other members of the PA were aware of the methodology for targeting and agreed with it. The management of the water points (wells, boreholes, springs) was thoroughly developed and responsibilities assigned and understood. The health component which involved selection and training of community-based health assistants and TBAs was also understood and agreed to by both government and PA members. This organizational groundwork and consensus-building is what has allowed this well-designed integrated project to have done so well in its first 2½ years.

A baseline study was undertaken prior to the start of the program and the Year Three survey will be conducted in a few months to provide analytical insight into the effectiveness of this program in delivering benefits to the PA members.

There is much of great importance in the Lege Oda Mirga experience to date. The assets created seem to be doing what they were intended to do. The NRM, Water, health and nutrition elements are clearly working well thus far. The effects on agricultural production of the soil improvement and credit activities must await the survey, but there is no reason at this point to doubt that they will show improvement – assuming that the rains

are adequate (it is a semi-arid area after all). The initial approach of involving all parties in the entire planning process, of putting the Peasant Association and the village committees at the center of the management of the program, the growing sense among these community-based organizations of ‘taking responsibility’ for the management, and for the achieving of results is a key to the sustainability of this development process. Institutional development – in its simplest definition of “improved ways of doing things,” i.e. of positively changed traditional mindsets – has clearly occurred. The organization of these improved ways of doing things, i.e. organizational strengthening is also occurring both among the beneficiaries and their own organizations and among the government bureau personnel who have been involved and who are currently, in theory, able to apply this amazingly successful model elsewhere. There has also been a similar strengthening of the HCS staff resulting from this experience. It is worth noting that the HCS staff have been working together as a unit for five years, and include many graduates of Alemaya Agricultural College. Thus, an experienced, well-educated, and well-motivated staff may, in fact, be a significant aspect of the apparently excellent performance of the counterpart in facilitating, and motivating.

There are a host of potential lessons to be learned from Lege Oda Mirga. Why has it apparently worked so well? What were the essential ingredients? How important is the fact that HCS is a strong and experienced Ethiopian NGO? What were the secrets in achieving consensus? How important have been the particular personalities and viewpoints of the individuals involved? Is the program sustainable over the years when all the people involved in the early years are gradually replaced by a new generation?

The Evaluation Team regards this as a – perhaps even *the* – model for successful use of food aid in achieving food security-enhancing development objectives in Ethiopia. If the secrets to its apparent success can be identified, understood and modified to work in other settings, the DAP project will have justified itself many times over. For sure, there are other examples within the project where various components are working well, or even where integrated activities are working almost as well as in Lege Oda Mirga. There may even be sites the Team did not visit where they might be working better. What will be of greatest benefit in terms of applying the lessons learned at Lege Oda Mirga is analysis – and publication – of these lessons for the wider Ethiopian and development community audience.

7.8 The World Bank's proposed MAPP strategy in Africa

Adding weight to IEHA's proposed agriculture-based development strategy for the next several years: the World Bank's new MAPP³² strategy for a 5-year (2003-2007) agriculture focused program in Africa proposes an almost identical theme:

“Growth in agricultural productivity boosts agricultural production and income, either directly through increased own-farm production or through greater agricultural employment and income opportunities for landless laborers. But agricultural growth also generates important second round multiplier effects. African farmers are overwhelmingly small-holders who spend a large share of their incremental income on labor intensive local non-tradable goods and services. This leads to growth and employment creation in the non-agricultural rural economy and to a reduction in overall rural poverty. The engine of this rural economic growth is the production of tradables, i.e. the goods that are marketed outside the producing region itself, in particular tradable agricultural products. The demand for these tradable agricultural commodities lies mostly outside the producing regions and their production is constrained essentially by supply-side constraints. Overcoming the latter allows for increase in agricultural production and incomes. Increased agricultural incomes then generate second round effects by propelling demand-led growth in rural non-farm activity.”

The Bank paper goes on to note that the multiplier effects of agricultural growth on rural poverty can be as large as the direct impact of agricultural growth itself – “...each 1 percent in incremental agricultural incomes generating a 1 percent increase in non-farm incomes.”

The Bank analysis complements the IEHA analysis nicely and there is an obviously broad interface between whatever is done under IEHA and whatever comes out of the World Bank's package of support (which will be provided in ways that bolster the effectiveness of the “New Partnership for Africa's Development” (NEPAD) arrangement. This, too, parallels IEHA's emphasis on creating a multi-country development dynamic. Both the MAPP and IEHA emphasize that increasing agricultural output is a means to the more important objective of increasing the income of the food insecure rural poor – those who farm and herd as well as those who try to earn livings from non-farm activities – rather than the ultimate goal itself.

³² “Multi-Country Agricultural Productivity Program (MAPP) for Africa” [Note: from an internal World Bank working draft document. *Note: Not for attribution at this time.*]

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